SOL PLAATJE MUNICIPALITY

ANNUAL BUDGET (MARCH)

2015/16 – 2017/18

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List of acronyms

ACIP	Accelerated Community Infrastructure Programme
BEE	Black Economic Empowerment
CAPEX	Capital Expenditure
CBD	Central Business District
CDW	Community Development Worker
COGHSTA	Co-operative Governance Human Settlement and Traditional Affairs
CPIX	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DEAT	Department of Education and Training
DoRA	Division of Revenue Act
DoRB	Division of Revenue Bill
DWA	Department of Water Affairs
EEDG	Energy Efficiency Development Grant
EMT	Executive Management Team
EPWP	Extended Public Works Programme
ES	Equitable Share
FBDM	Frances Baard District Municipality
FBS	Free Basic Services
FLISP	Finance Linked Individual Subsidy Programme
FMG	Financial Management Grant
GDP	Gross Domestic Product
GRAP	Generally Recognized Accounting Practice
GURP	Galeshewe Urban Renewal Programme
HDI	Historically Disadvantaged Individuals

IDP	Integrated Development Plan
INEP	Integrated National Electrification Programme
ISDG	Infrastructure Skills Development Grant
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGSETA	Local Government Sector Education Training Authority
LGTAS	Local Government Turnaround Strategy
MBRR	Municipal Budget and Reporting Regulations
MFMA	Municipal Finance Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act
MSIG	Municipal Systems Improvement Grant
MSP	Municipal Support Programme
MTREF	Medium Term Revenue and Expenditure Framework
NCEDA	Northern Cape Economic and Development Agency
NCTA	Northern Cape Tourism Authority
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NSDP	National Spatial Development Programme
NT	National Treasury
O&M	Operations and Maintenance
PGDS	Provincial Growth and Development Strategies
PMS	Performance Management System
PPP	Public Private Partnership
R&M	Repairs and Maintenance
RBIG	Regional Bulk Infrastructure Grant
SALGA	South African Local Government Agency
SALGBC	South African Local Government Bargaining Council
SARB	South African Reserve Bank
SDBIP	Service Delivery and Budget Implementation Plan
SETA	Sectoral Education and Training Authority
SFA	Strategic Focus Area
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SPM	Sol Plaatje Municipality
StatsSA	Statistics South Africa

The Annual Budget Statement for the 2015/16 Medium Term Revenue and Expenditure Framework (MTREF)

PART 1 - THE ANNUAL BUDGET

1. The Executive Mayor's Budget Speech

(To be distributed at the tabling of the Draft Annual Budget)

2. Council resolutions

Tabling of the Annual Budget for 2015/16 MTREF

Ald KD Molusi 30 March 2015

Purpose

Tabling of the Annual Budget of the Sol Plaatje Local Municipality for the financial year 2015/16 and indicative allocations for the two projected outer years 2016/17 and 2017/18, including policies and tariffs.

For noting / for decision by

The following options exist in terms of noting / for decision by:

- Council

The item/report has NOT been considered by a portfolio committee.

This item is for noting by the Executive Mayor.

Background

In terms of the Section 16 (1) of Municipal Finance Management Act (MFMA) a Council of a Municipality must approve an annual budget before the start of the financial year. Section 16 (2) further requires that the Mayor must table the annual budget at least 90 days before the start of the financial year. It is in compliance to Section 16 of MFMA that an annual budget is being tabled before this Council today.

The annexures in respect of the budget as per the Table of Contents in the budget documentation are hereby attached.

It should be noted also, that an application for tariff increases for electricity will have to be submitted to NERSA.

Annexures

Budget Part 1 and 2

Annexure A: Circular 71 Financial Ratios and norms

Budget Annexures

Section 1: Budget Schedules and supporting tables

Section 2: Tariffs

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Motivation

None

Personnel Implications

None

Financial Implications

The Sol Plaatje Municipality shall not incur any further additional expenditure by adopting this budget other than as per the budget.

Legal Authority and Implications

MFMA Section 16

Municipal Budget and Reporting Regulations

MFMA Circulars

The Annual Budget was discussed with the office of the Executive Mayor, Municipal Manager, Executive Directors, General Managers, various Line Managers and Financial Managers.

Consultation

Executive Mayor – Ald KD Molusi
Municipal Manager – Mr. GH Akharwaray
Chief Financial Officer – Mrs ZL Mahloko
IDP Manager – Mr. M Stols

Contact Person

Mrs ZL Mahloko
Chief Financial Officer

Contact number:	053-8306500
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Mrs. CC.Henderson:	Tel (053) 830-6533
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The Annual Budget will be tabled by the Executive Mayor, Ald KD Molusi.

RECOMMENDATION:

That Council resolves as follows:

1. That in terms of section 16 of the Municipal Finance Management Act, 56 of 2003, the Annual Budget of the municipality for the financial year 2015/16; and indicative allocations for the two projected outer years 2016/17 and 2017/18, and the multi-year single year capital appropriations are noted as set out in the Annual Budget in the following tables:

   1.1 Budgeted Financial Performance (revenue and expenditure by Standard classification) Section 5/Annexure 1 – Table A2;

   1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) Section 5/Annexure 1 - Table A3;

   1.3 Budgeted Financial Performance (Revenue by Source and Expenditure by type) Section 5/Annexure 1 – Table A4 and

   1.4 Multi-year and single year capital appropriations by municipal vote and Standard classification and associated funding by source. Section 5/ Annexure 1 - Table A5.

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:

   2.1 Budgeted Financial Position: Section 5/Annexure 1 – Table A6;
   2.2 Budgeted Cash Flow: Section 5/Annexure 1 – Table A7;

2.3 Cash backed reserves and accumulated surplus reconciliation: Section 5/Annexure 1 – Table A8;
2.4 Asset Management: Section 5/Annexure 1 – Table A9; and
2.5 Basic service delivery measurement: Section5/Annexure1–Table A10.

3. That in terms of sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste removal services, sanitation services, property rates and all other tariffs as set out in Annexure 2, are noted by Council.

4. That Council notes the draft reviewed Integrated Development Plan reflected in Annexure 4 for the period 2012/13 to 2016/17.

5. That Council resolves to note the draft Service Delivery and Budget Implementation Plan for 2015/16 as per Annexure 5 of the Annual Budget

6. That Council takes note that the public participation in respect of the annual budget, the draft IDP and the draft SDBIP 2015/16 will commence in April to gain inputs and comments from the community and other stakeholders and the timetable for these meetings will deliberated upon by the IDP and Budget Office through directive from the office of the Executive Mayor, Speaker and the Municipal Manager. The Speaker's office is responsible to arrange and co-ordinate the public participation meetings.

7. That Council resolves to authorise the Chief Financial Officer to make administrative and technical error corrections identified in the Annual Budget and such corrections be in the Final Adopted Annual Budget.

3. Executive Summary

Introduction

In recent past weeks, we had seen the opening of parliament as well as the opening of provincial legislatures, the tabling of state budget as well as that of the provinces. It is obvious from all these statements that the forecasted economic conditions are tighter, as a result, the projected growth in GDP[1] is 2% rising to 3% by 2017. The increase in income tax for individuals had been utilised as one of the mechanisms to raise revenues for the country, contrary to the job creation mechanisms, which would in turn, increasing the number of tax payers contributing to the national fiscus and this is due to sluggish economic environment, thus Increase in taxes means reduced net income.

The net income is used to provide for basic households needs for which the services provided by the municipality make it possible for the households to stand and prosper whilst in reality the municipal account is not on top of the list of priority household accounts. Maybe it is because attention is not given to strategies aimed at maximising collection. The recent article published in Rapport of 14/03/2015 revealed that government departments owed by South Africans stands at R180 billion, being debt on municipal services, SARS and traffic fines. The report further indicates 77% of debt is more than 90 days. Households debt alone is R4 billion, of which R58 billion is overdue. This situation calls for drastic action from municipalities as it has a potential of affecting negatively solvency, liquidity and sustainability.

The municipal services by nature are unstoppable, as any stoppage will have unintended results which will lead to failure to fulfil our mandate of clean and safe environment, which is a constitutional obligation. Focus is now placed on collecting all revenues due to the municipality and we are keeping at the back of our minds the economic conditions we all find ourselves in.

If all other revenue sources of the municipality are ring-fenced to a particular service, to fulfil local government mandate, property rates and taxes is the only discretionary, own revenue source the municipality has and it is utilised to render services such as clean and safe environment, construction and upgrade of and maintenance of roads, public amenities, street lighting, public safety, emergency services, environmental health, community parks and recreation and law enforcement and public order, administration and implementation of by-laws to name but a few.

Rising inputs costs to provide the above listed services are a challenge, the costs of bulk electricity cannot be left not mentioned here, tariff increases affects us as the distributor, they affect us as consumers/buyers, they affect businesses and they affect every single user. The economy of our city depends on electricity, households depends on electricity, in-fact, should everything go wrong with the supply and availability of electricity, the consequences are dire, considering the dependency on electricity by institutions such as hospitals, factories, sewer plants, water purification, schools, service industry. The country will come to a dead end. It is for this reason that the Minister of Finance indicated the tariff strategy to be presented to the Regulator by the state owned enterprise, ESKOM.

[1] As per the Minister of Finance Budget Speech – 25 February 2015

It is for these and many other reasons that increasing the capacity of supply in non-negotiable, and these come at high costs. With sovereign credit rating at its lowest, it cannot be expected that Eskom will be able to borrow funds for the purposes of funding the required supply to meet today's demand, internally generated funds are the only possibility at this stage are a combination of capital injection by government and tariff review.

Rising costs of electricity have a direct impact on water and sanitation costs of purification, distribution and treatment. The major cost driver other than labour costs, is electricity and subsequently, because our tariff strategy is basically cost recovery, a review of tariffs to take into account these rising costs shall be necessary. The budget had for years now, been absorbing these costs by cutting somewhere and augment somewhere else, those time had gone.

Green energy, green procurement will be explored soon, and we are gearing ourselves to this eventuality. We had seen the impact of climate change in Kimberley, floods and heat. We need to act decisively on green energy and green procurement.

National Treasury's Municipal Finance Management Act budget related circulars bears reference to the compilation of budget. Outcomes of mid-term budget visit and budget benchmark exercise play a pivotal role in making budget assumptions, comparative and affordable tariff setting, historical performance, projected consumer price indices, and the revenue and expenditure framework.

SCOA is becoming a reality, the municipality is all systems go to convert on the 1st of July 2015, no major changes for the customer and a complete change of commercial side of the municipality and reporting.

The general valuation shall become effective from 1 July 2015. It should be noted that municipal property valuations are done once every four years and as such the values will be expected to take into account accumulated value over the period. The MEC for Local Government had appointed an Appeals Board to deal with objections not resolved by the Municipal Valuer. The municipal has a qualified valuer who is a member of the SAPVP. Confidence has been instilled in the team that the valuations are performed without prejudice or favour.

The municipality is now attending to the development of a Long Term Growth and Development Strategy, which will set the tone for the next generation of IDP. The process is projected to be extensive as the vision is purely to create an environment possible diversify the city's economy. Currently, this city is service driven. Thus this city's economy is operating at tertiary sector level. The challenge with tertiary sector is that job opportunities require more skilled and professionals whilst the majority of available workforce is unskilled labour which are seeking job opportunities in the primary or secondary economic sectors.

The advantage of our city is availability of land, the central position, to the east and west, conducive weather conditions for manufacturing (not heavy rains and winds) and a potential for tourism sector.

The 2015/16 Budget aims at fulfilling the local mandate of providing access to basic services, selling of commodities and services, as well as reticulation to provide greater access levels.

3.1 Budget Overview

The MFMA and the MBRR give guidance on the preparation of the annual budgets as well as the National Treasury's Circular that are issued from time to time. The annual budget of the municipality is therefore presented herein in terms of the MBRR and the relevant circulars.

In summary the total budget of the municipality for 2015/16 MTREF is presented in the table 1 below:

Consolidated Overview of the 2015/16 MTREF	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
Total Operating Revenue (Excl Capital transfers and contributions)	1 749 221	1 867 087	1 996 471
Total Operating Expenditure	1 738 342	1 858 882	1 988 228
Operating Surplus	10 878	8 205	8 243
Capital transfers and contributions	64 276	63 238	63 743
Surplus/(Deficit) for the year	75 154	71 443	71 986
Total Capital expenditure	111 709	101 620	84 646

3.2 Operating budget

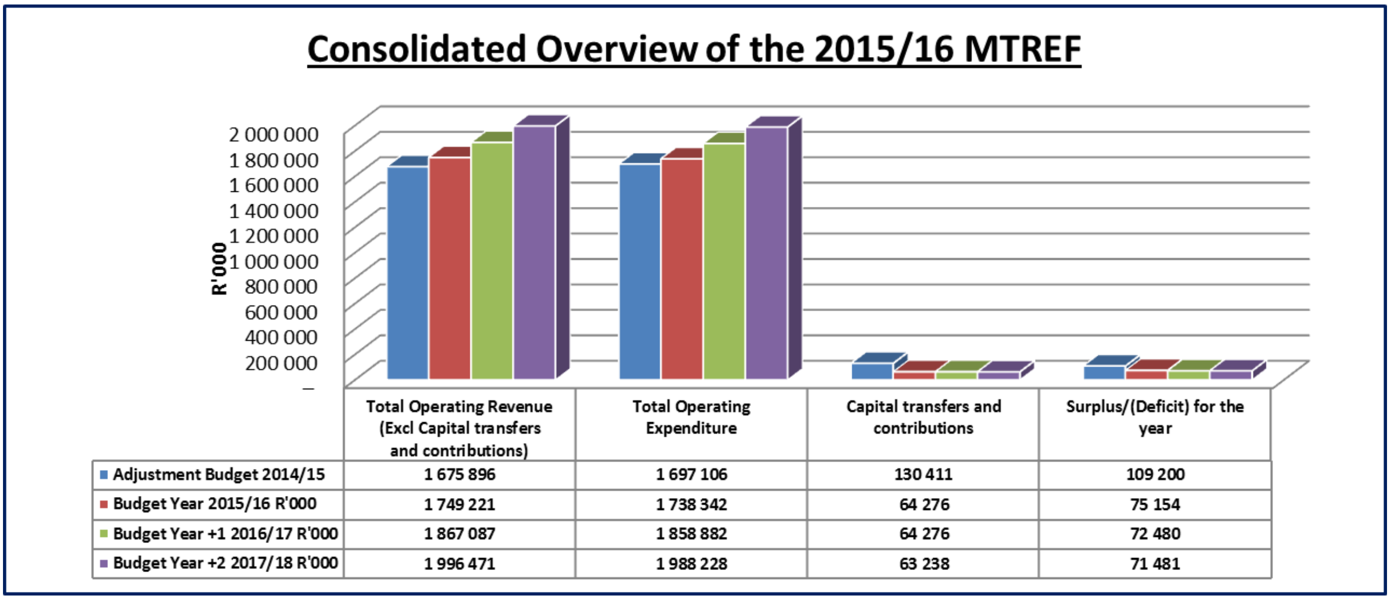
The operating budget of the municipality is split between operating revenue by source, expenditure by type and expenditure by vote.

Operating expenditure budget is compiled using various approaches, the zero-based budget approach, incremental budgeting using prior years' experience and management's best estimates as well as needs based budgeting.

The total operating expenditure budget by type has increased from R1 697 106 000 as per the 2014/15 adjusted budget to R1 738 342 000 for 2015/16, thus an average increase from the baseline of 2.41%. The average tariff increases for all services for the period is 9% with all other services increasing by 6.5% and electricity set to increase by 12.20%, which is in line with the tariff guidelines as provided by NERSA. Table 2 below presents the year on year growth and the average growth over the MTREF.

Expenditure by type

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)														
Description	2012/13	2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework							
R thousand	Audited Outcome	Audited Outcome	% Growth	Original Budget	Adjusted Budget	% Growth	Budget Year 2015/16	% Growth Original 2014/15	% Growth Adjusted 2014/15	Budget Year +1 2016/17	% Growth	Budget Year +2 2017/18	% Growth	% Growth over 5 years
Expenditure By Type														
Employee related costs	438 406	474 749	8%	547 624	551 624	1%	597 254	9%	8%	635 056	6%	672 424	6%	42%
Remuneration of councillors	17 243	18 459	7%	19 968	19 968	0%	21 365	7%	7%	22 647	6%	24 006	6%	30%
Debt impairment	110 819	126 810	14%	145 000	145 000	0%	161 000	11%	11%	174 300	8%	187 126	7%	48%
Depreciation & asset impairment	42 949	41 988	-2%	52 550	52 550	0%	53 600	2%	2%	60 019	12%	64 678	8%	54%
Finance charges	24 694	28 056	14%	36 559	34 559	-5%	29 790	-19%	-14%	28 514	-4%	26 779	-6%	-5%
Bulk purchases	347 076	381 005	10%	422 000	425 000	1%	461 000	9%	8%	505 780	10%	554 932	10%	46%
Other materials	68 982	64 257	-7%	87 135	90 735	4%	81 503	-6%	-10%	88 481	9%	94 963	7%	48%
Contracted services	–	–		–	–		–			–		–		
Transfers and grants	2 623	19 564	646%	54 750	55 370	1%	55 050	1%	-1%	58 300	6%	61 495	5%	214%
Other expenditure	241 490	248 674	3%	266 997	322 300	21%	277 780	4%	-14%	285 785	3%	301 826	6%	21%
Loss on disposal of PPE	1 030	–	-100%	–	–		–			–		–		
Total Expenditure	**1 295 311**	**1 403 563**	**8%**	**1 632 584**	**1 697 106**	**4%**	**1 738 342**	**6%**	**2%**	**1 858 882**	**7%**	**1 988 228**	**7%**	**42%**



The operating revenue on the other side, had increased from R1 675 896 000 as per the adjusted figures of February 2015, to R1 749 221 000 estimated budget for 2015/16. The total revenue budget for 2015/16 MTREF including the two outer years is R5 612 779 billion, against the total expenditure of R5 585 453 billion for the same period. Thus making budget gain of R27 326 000.

Total grants including capital transfers amount to R231.203-m compared to R300.253-m. The equitable share had been decreasing since 2014/15 and the trend is continuing till

2016/17 with an upward movement from R140-m to R142-m in 2017/18. As a result of the reduction, an estimated R31-m had been the lost trend since 2014/14 to 2015/16.

The table below reflects the year on year growth in revenue by source:

Description (R thousand)	2011/12	2012/13	2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework							
Revenue By Source	Audited Outcome	Audited Outcome	Audited Outcome	% Growth	Original Budget	Adjusted Budget	% Growth	Budget Year 2015/16	% Growth Original 2014/15	% Growth Adjusted 2014/15	Budget Year +1 2016/17	% Growth	Budget Year +2 2017/18	% Growth	% Growth over 5 years
Property rates	271 038	331 348	368 225	11%	397 946	397 946	0%	423 808	6%	6%	461 721	9%	501 361	9%	36%
Property rates - penalties & collection charges		–	–		–	–		–			–		–		
Service charges - electricity revenue	480 070	539 544	528 885	-2%	608 853	568 853	-7%	651 586	7%	15%	708 906	9%	768 813	8%	45%
Service charges - water revenue	169 936	198 997	197 867	-1%	239 315	224 315	-6%	245 333	3%	9%	260 367	6%	276 234	6%	40%
Service charges - sanitation revenue	52 962	58 667	63 601	8%	67 187	67 887	1%	72 545	8%	7%	76 730	6%	81 230	6%	28%
Service charges - refuse revenue	37 731	41 221	44 695	8%	46 841	46 841	0%	50 428	8%	8%	53 607	6%	56 397	5%	26%
Service charges - other	1	–	–		–	–		–			–		–		
Rental of facilities and equipment	12 416	14 253	17 795	25%	17 606	17 606	0%	19 182	9%	9%	20 370	6%	21 520	6%	21%
Interest earned - external investments	8 565	15 240	21 413	41%	12 000	16 000	33%	16 000	33%	0%	20 000	25%	22 000	10%	3%
Interest earned - outstanding debtors	30 424	32 108	56 744	77%	45 000	65 000	44%	50 000	11%	-23%	49 000	-2%	47 000	-4%	-17%
Dividends received		–	–		–	–		–			–		–		
Fines	5 424	4 652	11 554	148%	7 635	11 635	52%	10 419	36%	-10%	11 037	6%	11 637	5%	1%
Licences and permits	3 797	2 568	2 708	5%	2 672	2 672	0%	2 995	12%	12%	3 176	6%	3 352	6%	24%
Agency services	3 603	4 860	4 339	-11%	4 900	4 900	0%	5 800	18%	18%	6 298	9%	6 844	9%	58%
Transfers recognised - operational	154 482	166 865	166 601	0%	164 710	169 842	3%	166 787	1%	-2%	159 437	-4%	161 379	1%	-3%
Other revenue	25 323	35 599	36 945	4%	33 745	82 399	144%	34 336	2%	-58%	36 438	6%	38 704	6%	5%
Gains on disposal of PPE	–	–	275		–	–		–			–		–		
Total Revenue (excluding capital transfers and contributions)	**1 255 771**	**1 445 923**	**1 521 649**	**5%**	**1 648 410**	**1 675 896**	**2%**	**1 749 221**	**6%**	**4%**	**1 867 087**	**7%**	**1 996 471**	**7%**	**31%**

Capital currents and transfers gazetted are on MIG, in the amount of R46.626-m, NDPG at R5.1-m, INEP at R7-m, a significant increase of R4.1 compared to the 2014/15 allocation of R3-m. The Department of Water Affairs has gazetted R5.5-m compared to R30-m of the current year (2014/15). Provincial grants are yet to be gazetted. The overall net gain of the consolidated budget is R75.15-mfor 2015/16, R71.443 for 2016/17 and R71.986-m for 2017/18.

The net gain over the MTREF is estimated at R218-m, R583-m from total operating revenue is R5.612-billion and total operating expenditure of R5.585 billion with capital transfers and gains of R191.257-m.

3.2.1 Revenue by source

The municipality generates its revenue from exchange transactions through sale of municipal services being water, service charges for electricity, refuse removal and sanitation. Other exchange transactions include hiring of property and equipment, etc. Revenue from exchange transactions generated service charges accounts for 58% of the total revenue of the municipality, whilst revenue from non-exchange transactions generated from property rates and taxes accounts for 24%. The total of billed municipal services is 82% of the total revenue.

The municipality currently has 60 297 [2]households, ± 400 government and business accounts, thus making revenue borne of 60 697 customers. Currently household debt is 55% of the total debt due to the municipality. It is estimated that about 16 000 households earn below R3 750, being indigent as per the policy. The average monthly bill is currently R95 million for all services.

The municipal services are billed monthly based on consumption and approved tariffs. A consolidated bill is then sent out to the customer. The municipality is also appointed as an agent by the Department of Transport for motor vehicle registration and licensing and as such earns commission which mainly covers the direct costs of providing the service.

The municipality levies rates on the value of the property and development within its jurisdiction. Rates are payable annually by no later than 30 September each year or monthly as the municipal account falls due. Revenue from non-exchange transactions is generated from property rates and taxes.

The municipality offers an early settlement discount of 10% on water, refuse removal, sanitation and rates. About 20% of customers settle their accounts in time and as such benefit from the early settlement discount. Accounts not paid in time are charged with interest of prime plus one percent per month. The Credit Control Policy allows for the 100% write-off of interest upon full settlement, thus assisting customers to get reduce their as soon as they have access to additional cash. Further discounts are provided of up to 30% on unmetered services.

NC091 Sol Plaatje - Table A1 Budget Summary								
Description (R'000)	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
Financial Performance	Adjusted Budget	% Weighting	Budget Year 2015/16	% Weighting	Budget Year +1 2016/17	% Weighting	Budget Year +2 2017/18	% Weighting
Property rates	397 946	24%	423 808	24%	461 721	25%	501 361	25%
Service charges	907 895	54%	1 019 893	58%	1 099 610	59%	1 182 674	59%
Investment revenue	16 000	1%	16 000	1%	20 000	1%	22 000	1%
Transfers recognised - operational	169 842	10%	166 787	10%	159 437	9%	161 379	8%
Other own revenue	184 212	11%	122 733	7%	126 318	7%	129 058	6%
Total Revenue (excluding capital transfers and contributions)	**1 675 896**	**100%**	**1 749 221**	**100%**	**1 867 087**	**100%**	**1 996 471**	**100%**

3.2.2 Service charges – tariffs

The municipality is raising revenue by means of service charges from all its services. The Water Services and Electricity by-laws give effect to the raising of tariffs and clearly spell out the rights and responsibilities of customers and the municipality. All service charges and tariffs are determined with the objective of cost recovery rather than making profits. However, the trading services are ring-fenced and the costs include both direct and indirect costs. The average tariff increase increases is depicted in Table 4 below, presented together with [3]CPIX projections

[2] Census 2011
[3] See MFMA Circular 75

Tariffs	2014/15	2015/16	2016/17	2017/18
CPI Projections	**6.20%**	**5.80%**	**5.50%**	**5.30%**
Rates	6.99%	6.50%	8.95%	8.59%
Sewer and sanitation	6.50%	6.50%	5.77%	5.86%
Cleansing/Refuse collection	5.90%	6.50%	6.30%	5.21%
Water	14.99%	6.50%	6.13%	6.09%
Electricity	6.72%	12.20%	8.80%	8.45%
Average tariff increases/Municipal CPI	**8.13%**	**9.00%**	**7.19%**	**6.84%**

As can be seen in the table above, the average tariff increase for all services is 9% compared to an average of 8.13% of the previous year. Electricity had seen a double digit increase compared to last year's increase. The [4]NERSA's guidelines on municipal electricity price increase for 2015/16 issued on the 29 January 2015 had been used to determine the price increases. The CPI projected in the guideline is 6.3%, which was an average for 2014 as per the Medium Term Budget Policy Statement 2014. These guidelines provide for an increase of 12.20% and an application will be submitted as such.

3.3 Funding Capital Budget

The capital budget of the municipality is funded from grants and subsidies from government as well as own revenue sources. There is no intent to take up a new loan in the 2015/16 financial year.

The DoRA has been published, capital transfers and grants allocated to the municipality amounts to R65.276-million. These grants are MIG at R46.626, NCPG at R5.1-m, INEP at R7-m and DWA (RBIG) at R5.550-million. Provincial grants are yet to be published, as well as grants from FBDM. The allocation from DWA of R5.550-m is almost a 1/6 sixth of the prior year's allocation of R30-million.

The municipality has more than 15 informal settlements, and about 5 acres had been surveyed and planned with a total yield of 3 984 ervens. With R7 million received from INEP, about 374 households will be electrified in 2015/16 financial year.

The internally generated funds amount to R47.433-million of the total capital funding of R111.709-million.adopted

[4] NERSA guidelines for tariff increases, letter dated 29 January 2015

Funding sources of capex	2015/16 Medium Term Revenue & Expenditure Framework			
	Adjustment Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total government grants	130,411	64,276	63,238	63,743
Internally generated funds	119,816	47,433	38,382	20,903
Total Capital Funding	**250,226**	**111,709**	**101,620**	**84,646**
Year-on-year % (Decrease) in Capex		**-55%**	**-9%**	**-17%**
Year-on-year R-Value (Decrease) in Capex		**(138,518)**	**(10,088)**	**(16,974)**
Weighting Gov Grants	52%	58%	62%	75%
Weighting Other transfers and grants	0%	0%	0%	0%
weighting Borrowing	0%	0%	0%	0%
Weighting Internally Generated Funds	48%	42%	38%	25%
Total	100%	100%	100%	100%

3.4 Operating Expenditure

The municipality's operating expenditure is projected at R5.585 billion for the next three years, with employee costs amount to R1.905 billion of the total operating budget, and costs of bulk purchases shall amount to R1.522 billion. Employee costs represent 34% of the projected expenditure, whilst bulk costs takes about 28% of the total operating expenditure.

The bulk tariff increases are determined by the relevant authorities, NERSA for electricity and Department of Water Affairs for bulk water. The municipality purchases electricity from Eskom. It is only in Ritchie, whereby in terms of signed agreement, that Eskom is the distributor of electricity.

The municipality officiates to SALGA, as such salary negotiations takes place at National level through the South African local Government Bargaining Council. A three year agreement is signed and this lapses on the 30th of June 2015. Salary negotiations are underway, and the demands put down by the [5]Unions are as follows

- A minimum wage in Local Government of R9 625.00
- An increase in current housing allowance to R1 800 in respect of all employees
- Salary increase of 15% or R4 000.00 for all employees falling under the registered scope of SALGBC
- All benefits, allowances and conditions of service by the same percentage of 15%

The municipality has adopted the TASK remuneration system with effect from 1 July 2010. The process of job evaluation is progressing well with only 68 employees still being remunerated on Patterson System and shall be converted as soon as possible.

[5] See letter published on SALGBC website, letter dated 12 February 2015 signed by both GS of IMATU and SAMWU

Description	2012/13	2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework							
R thousand	Audited Outcome	Audited Outcome	% Growth	Original Budget	Adjusted Budget	% Growth	Budget Year 2015/16	% Growth Original 2014/15	% Growth Adjusted 2014/15	Budget Year +1 2016/17	% Growth	Budget Year +2 2017/18	% Growth	% Growth over 5 years
Expenditure By Type														
Employee related costs	438 406	474 749	8%	547 624	551 624	1%	597 254	9%	8%	635 056	6%	672 424	6%	42%
Remuneration of councillors	17 243	18 459	7%	19 968	19 968	0%	21 365	7%	7%	22 647	6%	24 006	6%	30%
Debt impairment	110 819	126 810	14%	145 000	145 000	0%	161 000	11%	11%	174 300	8%	187 126	7%	48%
Depreciation & asset impairment	42 949	41 988	-2%	52 550	52 550	0%	53 600	2%	2%	60 019	12%	64 678	8%	54%
Finance charges	24 694	28 056	14%	36 559	34 559	-5%	29 790	-19%	-14%	28 514	-4%	26 779	-6%	-5%
Bulk purchases	347 076	381 005	10%	422 000	425 000	1%	461 000	9%	8%	505 780	10%	554 932	10%	46%
Other materials	68 982	64 257	-7%	87 135	90 735	4%	81 503	-6%	-10%	88 481	9%	94 963	7%	48%
Contracted services	–	–		–	–		–			–		–		
Transfers and grants	2 623	19 564	646%	54 750	55 370	1%	55 050	1%	-1%	58 300	6%	61 495	5%	214%
Other expenditure	241 490	248 674	3%	266 997	322 300	21%	277 780	4%	-14%	285 785	3%	301 826	6%	21%
Loss on disposal of PPE	1 030	–	-100%	–	–		–			–		–		
Total Expenditure	**1 295 311**	**1 403 563**	**8%**	**1 632 584**	**1 697 106**	**4%**	**1 738 342**	**6%**	**2%**	**1 858 882**	**7%**	**1 988 228**	**7%**	**42%**

3.4.1 Expenditure by Vote

The municipal expenditure takes place at vote level, represented by directorate. The Infrastructure & Services Directorate is responsible for installation, maintenance and upgrade of infrastructure, and at operational level, the operating of facilities and equipment to provide basic services. The major services performed in this directorate include water purification, distribution and related infrastructure for billing purposes, electricity demand side management, bulk purchases, test and metering installation, operating and maintenance of systems and network as well as ensure safety use of electricity including street lights.

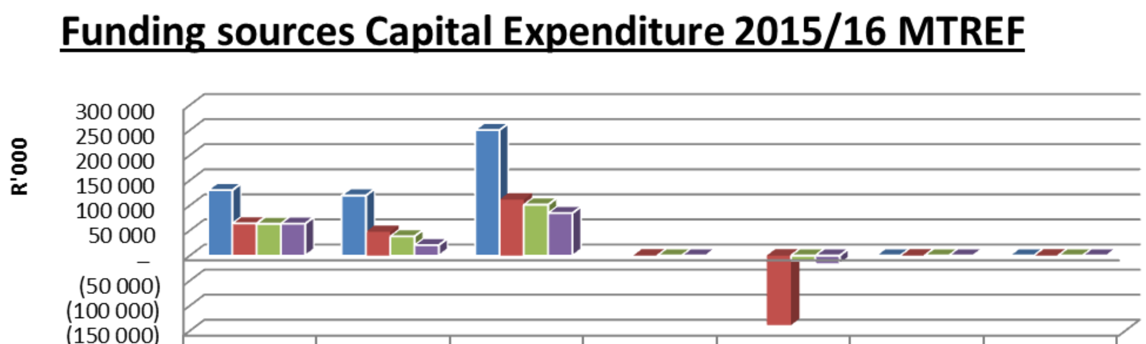
The municipality has its own Mechanical Workshop and all municipal vehicles are maintained and repaired through the workshop. Management of rental housing stock as well as implementation of low cost housing subsidies for beneficiaries is also the responsibility of the directorate. The municipality is managing more than 527km of tarred road, 223 gravel roads and storm water throughout the City.

Community Services and Social Development is responsible for various core, on-core or unfunded mandates such as libraries, resorts and primary health. Environmental health and local sports is one of the core functions. This encompasses cemeteries, refuse collection and landfill sites, the main.

Strategy, Economic Development & Planning Services are responsible for township establishment, local economic development and building inspectorate as their main business. This directorate is also responsible for implementation of Urban Renewal and Neighbourhood Development Partnership Grants.

Following this exercise will be the process of conducting feasibility studies with the aim of identified projects for funding.

Table 6 below indicates funding mix for CAPEX in the 2015/16 MTREF.



	Total government grants	Internally generated funds	Total Capital Funding	Year-on-year % (Decrease) in Capex	Year-on-year R-Value (Decrease) in Capex	Weighting Gov Grants	Weighting Internally Generated Funds
Adjustment Budget 2014/15	130 411	119 816	250 226			52%	48%
Budget Year 2015/16	64 276	47 433	111 709	-55%	(138 518)	58%	42%
Budget Year +1 2016/17	63 238	38 382	101 620	-9%	(10 088)	62%	38%
Budget Year +2 2017/18	63 743	20 903	84 646	-17%	(16 974)	75%	25%

3.5 OPERATING REVENUE FRAMEWORK

The municipality's revenue is determined through tariff determination for various services at affordable levels and tariffs that are fair and set at realistic levels. A consideration is made to the households and citizens in the municipality who do not have adequate means to afford municipal services.

The revenue raising strategy of the municipality is based on the following key components:

- National Treasury guidelines
- Estimated demand in municipal services
- Realistic revenue projections based on realistically projected collection rate for services
- Electricity tariff increases as approved by the National Electricity Regulator South Africa
- Tariffs for trading services that are cost reflective
- The raising of property rates in line with the property rates policy as reviewed annually and within the prescripts of Municipal Property Rates Act 6 of 2004
- The Indigent Household Policy which is aimed at assisting the poor
- All other tariffs and including tariffs for rental of municipal properties and flats

The table 7 below presents revenue by source for the period 2011/12 to 2017/18.

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)

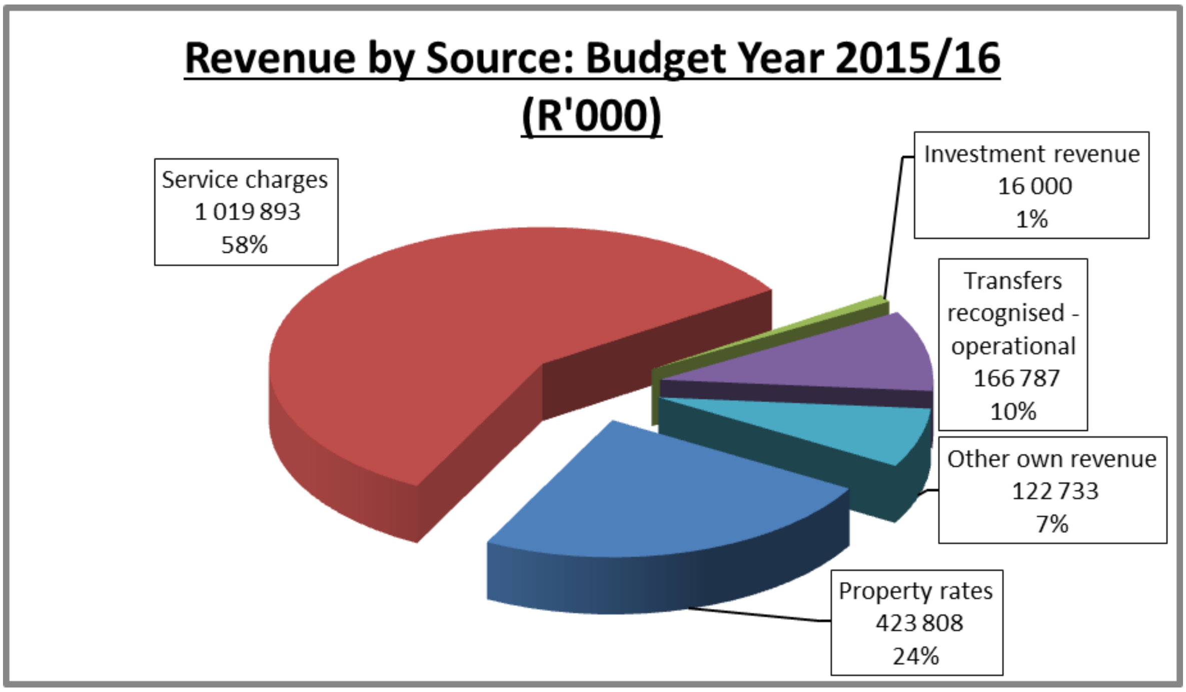
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	2	271 038	331 348	368 225	397 946	397 946	397 946	423 808	461 721	501 361
Property rates - penalties & collection charges										
Service charges - electricity revenue	2	480 070	539 544	528 885	608 853	568 853	568 853	651 586	708 906	768 813
Service charges - water revenue	2	169 936	198 997	197 867	239 315	224 315	224 315	245 333	260 367	276 234
Service charges - sanitation revenue	2	52 962	58 667	63 601	67 187	67 887	67 887	72 545	76 730	81 230
Service charges - refuse revenue	2	37 731	41 221	44 695	46 841	46 841	46 841	50 428	53 607	56 397
Service charges - other		1		–						
Rental of facilities and equipment		12 416	14 253	17 795	17 606	17 606	17 606	19 182	20 370	21 520
Interest earned - external investments		8 565	15 240	21 413	12 000	16 000	16 000	16 000	20 000	22 000
Interest earned - outstanding debtors		30 424	32 108	56 744	45 000	65 000	65 000	50 000	49 000	47 000
Dividends received			–	–	–	–	–	–	–	–
Fines		5 424	4 652	11 554	7 635	11 635	11 635	10 419	11 037	11 637
Licences and permits		3 797	2 568	2 708	2 672	2 672	2 672	2 995	3 176	3 352
Agency services		3 603	4 860	4 339	4 900	4 900	4 900	5 800	6 298	6 844
Transfers recognised - operational		154 482	166 865	166 601	164 710	169 842	169 842	166 787	159 437	161 379
Other revenue	2	25 323	35 599	36 945	33 745	82 399	82 399	34 336	36 438	38 704
Gains on disposal of PPE		–	–	275	–	–		–	–	–
Total Revenue (excluding capital transfers and contributions)		**1 255 771**	**1 445 923**	**1 521 649**	**1 648 410**	**1 675 896**	**1 675 896**	**1 749 221**	**1 867 087**	**1 996 471**

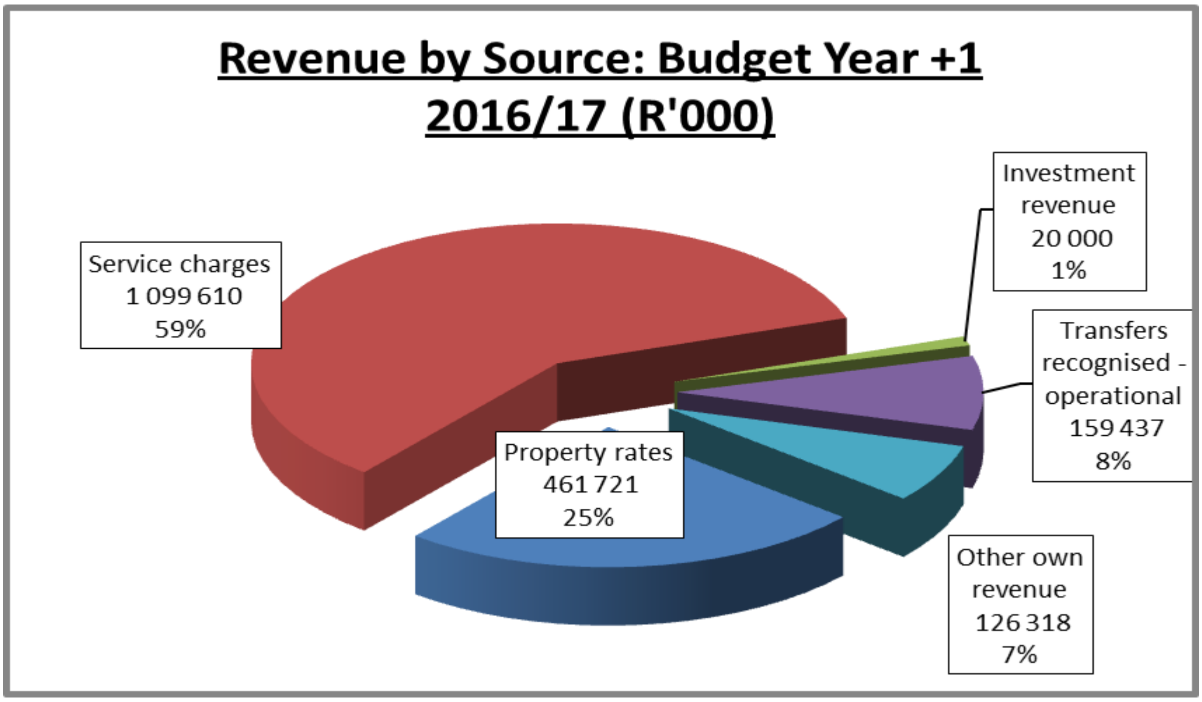
The table 8 below however, indicates percentage weighting per revenue source and the following summary is made:

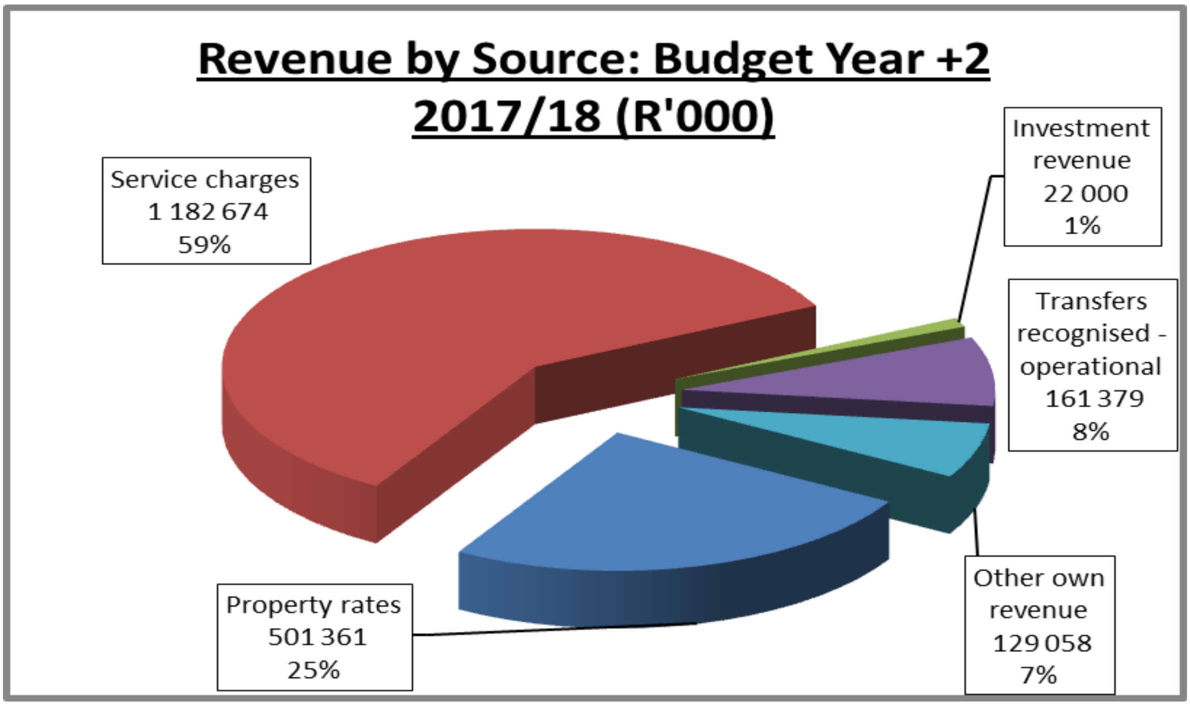
Description (R'000)	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
Financial Performance	Adjusted Budget	% Weighting	Budget Year 2015/16	% Weighting	Budget Year +1 2016/17	% Weighting	Budget Year +2 2017/18	% Weighting
Property rates	397,946	24%	423,808	24%	461,721	25%	501,361	25%
Service charges	907,895	54%	1,019,893	58%	1,099,610	59%	1,182,674	59%
Investment revenue	16,000	1%	16,000	1%	20,000	1%	22,000	1%
Transfers recognised - operational	169,842	10%	166,787	10%	159,437	9%	161,379	8%
Other own revenue	184,212	11%	122,733	7%	126,318	7%	129,058	6%
Total Revenue (excluding capital transfers and contributions)	**1,675,896**	**100%**	**1,749,221**	**100%**	**1,867,087**	**100%**	**1,996,471**	**100%**

- That service charges of electricity, water, sanitation and refuse removal accounts for 58% of the projected revenues in 2015/16, 59% in both the 2016/17 and 2017/18 financial year.
- Revenue from property rates is 24% increasing marginally to 26% in 2016/17 and 2017/18.
- Operating grants and subsidies received are reducing by a percentage each year from 10% in 2015/16 to 9% in 2016/17 and 8% in 2017/18. Equitable Share in the amounts of R143-m, R140-m and R142-m for the three years is included in the grants and subsidies.

Indicated in the charts below is the summarised weighting per major Revenue Source:







As indicated in the charts above the major contributing revenue is derived from Service Charges at 59% of total revenue.

The detailed report on operating transfers and grants receipts for the period is presented below and this basically indicates the following:

- That operating grants and subsidies reduces over the period as a result of reduction in equitable share allocation and single year allocations of other grants
- Provincial grants are included as yet as they are pending the release of Provincial Gazette and these will be updated as soon as the provincial gazette for 2015 is published.
- National government grants are significantly reducing as a result of reduction of DWA allocation from R30 million for 2014/15 per annum to R5.5-m in 2015/16.

Table 9 is a breakdown of Transfers and grant receipts

NC091 Sol Plaatje - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		145 508	157 830	157 963	155 804	157 396	157 396	154 349	146 897	148 739
Local Government Equitable Share		131 806	146 493	145 905	145 440	145 440	145 440	143 335	140 315	142 006
Finance Management		1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
EPWP Incentive		11 462	7 660	6 618	5 330	5 330	5 330	4 984	–	–
Infrastructure Skills Development			1 377	3 000	2 500	4 092	4 092	3 500	4 000	4 000
Provincial Government:		4 133	10 021	2 571	7 372	7 852	7 852	10 735	10 735	10 735
Health subsidy		2 435	2 525 3 100	865	2 809	2 809	2 809	2 978	2 978	2 978
COGHSTA		–	3 100	–	–	480	480			
DWA					–	–	–			
Library		1 086	1 295	1 706	4 563	4 563	4 563	7 757	7 757	7 757
Provincial Resort Subsidy		612	–	–	–	–	–			
District Municipality:		2 218	800	1 800	–	3 061	3 061	–	–	–
Frances Baard District Municipality		2 218	800	1 800		3 061	3 061			
Other grant providers:		2 622	1 315	2 437	1 534	1 534	1 534	1 703	1 806	1 905
MIG ops		1 370	1 215	1 337	1 534	1 534	1 534	1 703	1 806	1 905
Other grant providers:		1 253	100	1 100						
Total Operating Transfers and Grants	5	154 481	169 966	164 771	164 710	169 842	169 842	166 787	159 437	161 379
Capital Transfers and Grants										
National Government:		71 601	97 644	70 906	78 677	78 677	78 677	64 276	63 237	63 743
Municipal Infrastructure Grant (MIG)		45 363	50 674	50 906	45 677	45 677	45 677	46 626	48 393	51 097
Neighbourhood Development Partnership		7 220	–	–	5 000	–	–	5 000	10 000	10 000
EDSM			50	–		–	–			
INEP		18 813	15 086	20 000	3 000	3 000	3 000	7 100	4 844	2 646
Department of Water Affairs		205	31 833	–	25 000	30 000	30 000	5 550	–	–
INEP (Eskom)						–	–			
Provincial Government:		4 651	3 240	31 522	10 250	46 733	46 733	–	–	–
Department of Water Affairs				20 617	5 000	5 000	5 000			
COGHSTA		–	3 240	10 905		36 483	36 483			
DHLG (GURP)		4 651	–	–	5 250	5 250	5 250			
District Municipality:		2 486	1 306	4 284	–	5 000	5 000	–	–	–
Frances Baard District Municipality		2 486	1 306	4 284		5 000	5 000			
Other grant providers:		24 448	7 768	–	–	–	–	–	–	–
Transnet		24 448	7 768							
Other										
Total Capital Transfers and Grants	5	103 186	109 958	106 712	88 927	130 411	130 411	64 276	63 237	63 743
TOTAL RECEIPTS OF TRANSFERS & GRANTS		257 668	279 924	271 484	253 637	300 253	300 253	231 063	222 675	225 122

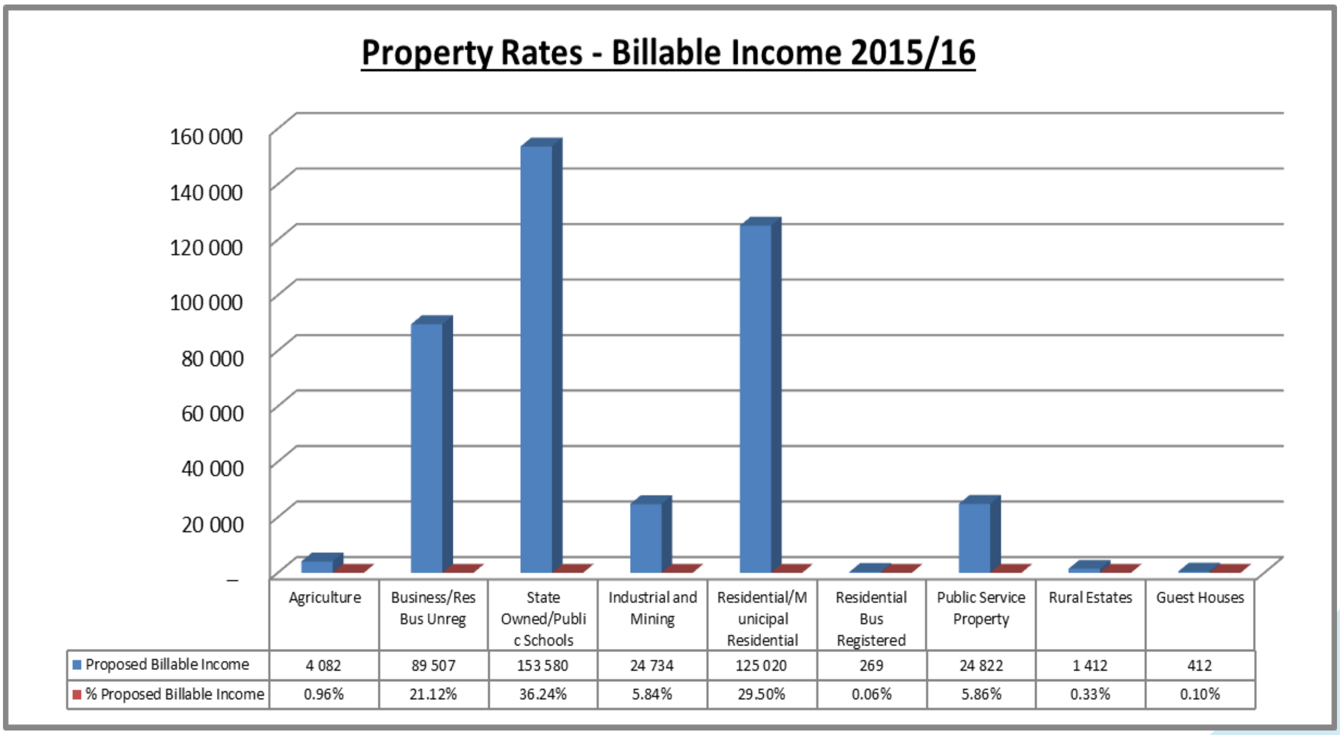
3.5.1 Revenue from property rates

Property rates are levied in line with the Municipal Property Rates Act and the Policy as approved by the Council. Property rates shall be based on the valuation as indicated in the general valuation roll (GV 2015) with the date of valuation being 1 July 2015. Interim valuations are conducted after this date due to land sub-divisions, alterations to buildings, demolitions and new buildings and improvements and new rates are determined as per the Supplementary Valuation Roll.

Accordingly the rates levied per individual property will depend on the amendment to that property change in valuation compared with the average change to all properties.

Rebates and concessions are granted on certain categories of property usages and/or property owner. Table 10 below presents the assumptions made in estimating revenue from property rates. The bar chart indicates the weighting per category.

Grouped Categories	Market Value	Exemptions	Net Ratable Value	Tariffs 14/15	Current Billable Rates Income	Tariffs 15/16	Proposed Billable Income	Percentage Variance
Agricultural Residential	R 63 472 000.00	R 873 000.00	R 62 599 000.00	0.002324	R 392 864.16	0.002049	R 117 763.10	-70.0%
Agricultural Business	R 275 001 000.00	R -	R 275 001 000.00	0.002905	R 31 253.70	0.002329	R 587 886.44	1781.0%
Agricultural Farms	R 1 973 953 000.00	R -	R 1 973 953 000.00	0.007143	R 1 471 407.30	0.001863	R 3 375 871.92	129.4%
Business/Res Bus Unreg	R 3 554 632 000.00	R 6 360 000.00	R 3 548 272 000.00	0.034854	R 93 105 589.77	0.027479	R 89 507 221.90	-3.9%
State Owned/Public Schools	R 2 427 085 200.00	R -	R 2 427 085 200.00	0.087135	R 162 977 260.41	0.068930	R 153 580 437.16	-5.8%
Industrial	R 327 500 000.00	R -	R 327 500 000.00	0.047634	R 9 800 963.07	0.032602	R 9 801 634.56	0.0%
Mining	R 83 156 000.00	R -	R 83 156 000.00	0.191698	R 1 394 275.08	0.195612	R 14 932 483.48	971.0%
Residential/Municipal Residential	R 15 206 405 400.00	R 585 945 400.00	R 14 620 460 000.00	0.011618	R 117 812 197.34	0.009315	R 125 020 201.53	6.1%
Residential Bus Registered	R 17 215 000.00	R 225 000.00	R 16 990 000.00	0.021493	R 4 236 195.06	0.017232	R 268 772.15	-93.7%
Public Service Infrastructure	R 47 335 100.00	R 14 200 530.00	R -	0	R 0.00	0.000000	R 0.00	0.0%
Non-ratable	R 1 150 497 200.00	R -	R -	0	R 0.00	0.000000	R 0.00	0.0%
Public Service Property	R 392 270 500.00		R 392 270 500.00	0.087135	R 0.00	0.068930	R 24 821 986.01	New Category
Rural Estates	R 224 486 000.00	R 4 290 000.00	R 220 196 000.00	0.002324	R 0.00	0.006986	R 1 412 179.32	New Category
Guest Houses	R 18 100 000.00	R -	R 18 100 000.00	0.011618	R 0.00	0.013972	R 232 160.85	New Category
Guest House - Business	R 10 500 000.00	R -	R 10 500 000.00	0.011618	R 0.00	0.018630	R 179 571.93	New Category
Totals	**R 25 771 608 400.00**	**R 611 893 930.00**	**R 23 976 082 700.00**	**0.03319481**	**R 391 222 005.88**	**0.029703**	**R 423 838 170.35**	



Supplementary Valuation Rolls are produced roughly every quarter (at least 4 times a year) to update the General Valuation Roll. This is performed concurrent to the schedule above

3.5.2 Tariffs per service

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category							2015/16 Medium Term Revenue & Expenditure Framework		
Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates *(rate in the Rand)*	1								
Residential properties		Residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0,001245	0,001495	0,001629	0,001743	0,001863	0.0020	0.0022
Farm properties - not used		Agricultural business	0,002075	0,002492	0,002715	0,002905	0,002329	0.0025	0.0028
Industrial properties		Industrial	0,035280	0,042370	0,046152	0,047634	0,032602	0.0355	0.0386
Business and commercial properties		Business/Residential	0,024903	0,029909	0,032578	0,034854	0,027479	0.0299	0.0325
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties		State / Public schools	0,061429	0,073774	0,080359	0,087135	0,06893	0.0751	0.0816
Municipal properties		Municipal residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Public service infrastructure		Public services infrastr.	0,00	0,00	0,00	0,00	-	-	-
Privately owned towns serviced by the									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000

Sale of water and sanitation

The progressive nature of stepped tariff structure for water allows for the needs of the indigents. At the same time, it is designed to discourage high water consumption levels.

There is a 6.5% proposed tariff increase for water services to accommodate the reading the new water demand as per the latest figures. This is also in line with National Treasury's circular 74 of cost recovery based tariffs for trading services. The proposed water tariffs for 2014/15 are summarised in the tables 12 below:

Description	Provide description of tariff structure where appropriate	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
			Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Water tariffs					
Domestic					
Basic charge/fixed fee *(Rands/month)*					
Service point - vacant land *(Rands/month)*					
Water usage - flat rate tariff *(c/kl)*					
Water usage - life line tariff	Residential (0-6kl)	4.76	5.07	5.38	5.71
Water usage - Block 1 (c/kl)	Residential (7-20kl)	20.24	21.55	22.87	24.27
Water usage - Block 2 (c/kl)	Residential (21-40kl)	22.78	24.26	25.74	27.31
Water usage - Block 3 (c/kl)	Residential (41-60kl)	24.08	25.65	27.22	28.88
Water usage - Block 4 (c/kl)	Residential (more than 60kl)	25.74	27.41	29.09	30.86
Other					
Waste water tariffs					
Domestic					
Basic charge/fixed fee *(Rands/month)*					
Service point - vacant land *(Rands/month)*					
Waste water - flat rate tariff *(c/kl)*		124.23	132.31	139.94	148.14

Comparison between current water charges and the proposed increases

For all step tariffs, the average tariff increases are as follows;

Water tariffs	2014/15	2015/16		2016/17		2017/18		Increase over MTREF (R-Value)
	R-Value	% Increase	R-Value Increase	% Increase	R-Value Increase	% Increase	R-Value Increase	
Residential (0-6kl)	4.76	6.51%	0.31	6.11%	0.31	6.13%	0.33	0.95
Residential (7-20kl)	20.24	6.47%	1.31	6.13%	1.32	6.12%	1.40	4.03
Residential (21-40kl)	22.78	6.50%	1.48	6.10%	1.48	6.10%	1.57	4.53
Residential (41-60kl)	24.08	6.52%	1.57	6.12%	1.57	6.10%	1.66	4.80
Residential (more than 60kl)	25.74	6.49%	1.67	6.13%	1.68	6.08%	1.77	5.12

Water

2015/16 the average tariff increase is 6.5%

2016/17, the average tariff increase is 6.13%

2017/18, the average tariff increase is 6.09%

Sanitation tariffs for 2015/16 MTREF

Sanitation is charged at flat tariff per category and the tariffs proposed for all customers are presented in the tables 13 below:

Waste water tariffs	2014/15	2015/16		2016/17		2017/18		Increase over MTREF (R-Value)
	R-Value	% Increase	R-Value Increase	% Increase	R-Value Increase	% Increase	R-Value Increase	
	124.23	6.50%	8.08	5.77%	7.63	5.86%	8.20	23.91

Comparison between current sanitation charges and the proposed increases

As indicated in the table above, the proposed tariffs increases for sanitation are as follows;

2015/16 the average tariff increase is 6.50%

2016/17, the average tariff increase is 5.77%

2017/18, the average tariff increase is 5.86%

Refuse removal and impact of tariff increases

Tariffs on refuse collection are levied to recover costs of providing the service directly to the customer. This budget proposes a 6.5% increase on refuse collection tariffs for the 2015/16 financial period.

The tables 14 below presents the impact of the proposed tariffs increases:

Description	Provide description of tariff structure where appropriate	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
			Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Waste management tariffs</u>					
Domestic					
Street cleaning charge					
Basic charge/fixed fee		88.64	94.40	100.35	105.58
80l bin - once a week					
250l bin - once a week					

Waste management tariffs	2014/15	2015/16		2016/17		2017/18		Increase over MTREF (R-Value)
	R-Value	% Increase	R-Value Increase	% Increase	R-Value Increase	% Increase	R-Value Increase	
Basic charge/fixed fee	88.64	6.50%	5.76	6.30%	5.95	5.21%	5.23	16.94

Comparison between current refuse removal charges and the proposed increases

2015/16 the average tariff increase is 6.5%

2016/17, the average tariff increase is 6.30%

2017/18, the average tariff increase is 5.21%

Sale of electricity and the impact on tariff increases

The proposed revisions of tariffs have been developed in line with the municipality's Electricity By-Laws, Tariff Policy as approved and it complies with Section 74 of the Municipal Systems Act as well as the recommendations of the NERSA and internal funding requirements for 2015/16.

In terms of Section 75A of the Local Government Municipal Systems Act, any fees, charges or tariffs which a municipality may levy and recover in respect of any function or service of the municipality, must be approved by a resolution passed by the municipal council with a supporting vote by majority of its members. Whilst the Electricity Regulation Act requires that the proposed revisions of electricity consumption based tariffs shall be submitted to NERSA for approval prior to implementation.

At this present moment, a draft application has been submitted to NERSA whilst NERSA on the other hand has not yet issued a definitive guideline for municipal increases for 2015/16.

As a result of the above, the average revenue increase requirement is 12.20%, as depicted in tables 15 below.

Description	Provide description of tariff structure where appropriate	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
			Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Electricity					
Flat rate tariff - prepaid*(c/kwh)*					
Meter - IBT Block 1 (c/kwh)	Block 1 (0 - 50 Kwh)	1.1928	1.3383	1.4561	1.5791
Meter - IBT Block 2 (c/kwh)	Block 2 (51 - 350 Kwh)	1.6351	1.8345	1.9959	2.1646
Meter - IBT Block 3 (c/kwh)	Block 3 (351 - 600 Kwh)	1.7691	1.9849	2.1596	2.3420
Meter - IBT Block 4 (c/kwh)	Block 4 (> 600 Kwh)	1.8764	2.1052	2.2905	2.4840
Meter - IBT Block 5 (c/kwh)	(fill in thresholds)				
Prepaid - IBT Block 1 (c/kwh)	Block 1 (0 - 50 Kwh)	1.1928	1.3383	1.4561	1.5791
Prepaid - IBT Block 2 (c/kwh)	Block 2 (51 - 350 Kwh)	1.6351	1.8345	1.9959	2.1646
Prepaid - IBT Block 3 (c/kwh)	Block 3 (351 - 600 Kwh)	1.7691	1.9849	2.1596	2.3420
Prepaid - IBT Block 4 (c/kwh)	Block 4 (> 600 Kwh)	1.8764	2.1052	2.2905	2.4840
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)				

A comparison between current electricity charges and increases are presented in the table above the following can be summarised:

Electricity Tariffs	2014/15	2015/16		2016/17		2017/18		Increase over MTREF (c/kwh)
	R-Value (c/Kwh)	% Increase	R-Value Increase (c/Kwh)	% Increase	R-Value Increase (c/Kwh)	% Increase	R-Value Increase (c/Kwh)	
Block 1 (0 - 50 Kwh)	1.1928	12.20%	0.1455	8.80%	0.1178	8.45%	0.1230	0.3863
Block 2 (51 - 350 Kwh)	1.6351	12.19%	0.1994	8.80%	0.1614	8.45%	0.1687	0.5295
Block 3 (351 - 600 Kwh)	1.7691	12.20%	0.2158	8.80%	0.1747	8.45%	0.1824	0.5729
Block 4 (> 600 Kwh)	1.8764	12.19%	0.2288	8.80%	0.1853	8.45%	0.1935	0.6076

3.5.4 Overall impact of tariffs on households

The following table 16 shows the overall expected impact on the tariff increases on large, medium households and small households receiving free basis services in the 2014/15 financial year.

NC091 Sol Plaatje - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		497.89	512.21	557.90	596.87	596.87	596.87	6.5%	478.56	523.06	570.14
Electricity: Basic levy		180.66	198.70								
Electricity: Consumption		910.00	1 000.88	1 432.65	1 538.36	1 538.36	1 538.36	12.2%	1 715.45	1 824.55	1 951.36
Water: Basic levy											
Water: Consumption		293.13	340.22	370.53	426.09	426.09	426.09	6.5%	453.73	476.55	505.52
Sanitation		78.59	86.45	92.09	98.08	98.08	98.08	6.5%	104.46	110.48	116.96
Refuse removal		57.24	61.82	66.08	69.98	69.98	69.98	6.5%	74.53	79.22	83.35
Other											
sub-total		**2 017.51**	**2 200.27**	**2 519.25**	**2 729.39**	**2 729.39**	**2 729.39**	**3.6%**	**2 826.71**	**3 013.87**	**3 227.32**
VAT on Services		212.75	236.33	274.59	298.55	298.55	298.55		328.74	348.71	372.01
Total large household bill:		**2 230.25**	**2 436.59**	**2 793.84**	**3 027.94**	**3 027.94**	**3 027.94**	**4.2%**	**3 155.46**	**3 362.58**	**3 599.33**
% increase/-decrease			**9.3%**	**14.7%**	**8.4%**	**–**	**–**		**4.2%**	**6.6%**	**7.0%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		335.50	362.66	395.01	422.60	422.60	422.60	6.5%	338.83	369.16	400.87
Electricity: Basic levy											
Electricity: Consumption		621.71	654.12	670.32	715.38	715.38	715.38	12.2%	802.63	873.26	947.05
Water: Basic levy											
Water: Consumption		227.80	268.41	292.33	336.17	336.17	336.17	6.5%	357.96	379.91	403.04
Sanitation		78.59	86.45	92.09	98.08	98.08	98.08	6.5%	104.46	110.48	116.96
Refuse removal		57.24	61.82	66.08	69.98	69.98	69.98	6.5%	74.53	79.22	83.35
Other											
sub-total		**1 320.84**	**1 433.46**	**1 515.84**	**1 642.22**	**1 642.22**	**1 642.22**	**2.2%**	**1 678.41**	**1 812.03**	**1 951.27**
VAT on Services		137.95	149.91	156.92	170.75	170.75	170.75		187.54	202.00	217.06
Total small household bill:		**1 458.79**	**1 583.37**	**1 672.75**	**1 812.96**	**1 812.96**	**1 812.96**	**2.9%**	**1 865.95**	**2 014.03**	**2 168.33**
% increase/-decrease			**8.5%**	**5.6%**	**8.4%**	**–**	**–**		**2.9%**	**7.9%**	**7.7%**
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		197.15	213.11	232.12	248.33	248.33	248.33	6.5%	199.11	216.93	235.56
Electricity: Basic levy											
Electricity: Consumption		349.16	384.03	385.01	410.89	410.89	410.89	12.2%	402.30	437.71	474.69
Water: Basic levy											
Water: Consumption		162.47	178.61	194.53	223.71	223.71	223.71	6.5%	238.18	252.78	268.18
Sanitation											
Refuse removal											
Other											
sub-total		**708.78**	**775.75**	**811.65**	**882.93**	**882.93**	**882.93**	**(4.9%)**	**839.59**	**907.42**	**978.43**
VAT on Services		71.63	78.77	81.13	88.84	88.84	88.84		89.67	96.67	104.00
Total small household bill:		**780.41**	**854.51**	**892.79**	**971.77**	**971.77**	**971.77**	**(4.4%)**	**929.26**	**1 004.09**	**1 082.44**
% increase/-decrease			**9.5%**	**4.5%**	**8.8%**	**–**	**–**		**(4.4%)**	**8.1%**	**7.8%**

3.6 OPERATING EXPENDITURE FRAMEWORK

The municipality's expenditure for the 2015/16 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels,
- The asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives, and
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.

The following table 17 is a high level summary of the 2015/16 budget and MTREF

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Employee costs	407 342	438 406	474 749	547 624	551 624	551 624	597 254	635 056	672 424
Remuneration of councillors	16 415	17 243	18 459	19 968	19 968	19 968	21 365	22 647	24 006
Depreciation & asset impairment	38 888	42 949	41 988	52 550	52 550	52 550	53 600	60 019	64 678
Finance charges	17 088	24 694	28 056	36 559	34 559	34 559	29 790	28 514	26 779
Materials and bulk purchases	358 444	416 058	445 262	509 135	515 735	515 735	542 503	594 261	649 895
Transfers and grants	2 907	2 623	19 564	54 750	55 370	55 370	55 050	58 300	61 495
Other expenditure	359 349	353 339	375 484	411 997	467 300	467 300	438 780	460 085	488 952
Total Expenditure	1 200 434	1 295 311	1 403 563	1 632 584	1 697 106	1 697 106	1 738 342	1 858 882	1 988 228

The table 18 below reflects the percentage weighting per expenditure by type.

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	% Weighting	Budget Year 2015/16	% Weighting	Budget Year +1 2016/17	% Weighting	Budget Year +2 2017/18	% Weighting
Expenditure By Type								
Employee related costs	551 624	33%	597 254	34%	635 056	34%	672 424	34%
Remuneration of councillors	19 968	1%	21 365	1%	22 647	1%	24 006	1%
Debt impairment	145 000	9%	161 000	9%	174 300	9%	187 126	9%
Depreciation & asset impairment	52 550	3%	53 600	3%	60 019	3%	64 678	3%
Finance charges	34 559	2%	29 790	2%	28 514	2%	26 779	1%
Bulk purchases	425 000	25%	461 000	27%	505 780	27%	554 932	28%
Other materials	90 735	5%	81 503	5%	88 481	5%	94 963	5%
Contracted services	–	0%	–	0%	–	0%	–	0%
Transfers and grants	55 370	3%	55 050	3%	58 300	3%	61 495	3%
Other expenditure	322 300	19%	277 780	16%	285 785	15%	301 826	15%
Loss on disposal of PPE	–	0%	–	0%	–	0%	–	0%
Total Expenditure	**1 697 106**	**100%**	**1 738 342**	**100%**	**1 858 882**	**100%**	**1 988 228**	**100%**

Staff costs for the 2015/16 financial year amounts to R597.254 million and is an equivalent of 34% of the total operating expenditure. Based on the three year collective SALGBC agreement, which expire 30 June 2015, salary increases that have been factored into this budget is 7 percent based on CPIX estimates. Inflation-linked increases are estimated for the outer years of the municipality's MTREF. A provision has been made for Task Implementation.

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). For the purpose of compiling this budget, an inflation based increase has been used to estimate total cost to the municipality for all Councillors. Section 79 committee chairpersons shall remain part time include the Whip of Council.

The provision for debt impairment was based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. For the 2015/16 financial year this amount equates to R151 million and escalates to R174,300-million in 2016/17. While this expenditure is considered to be a non-cash flow

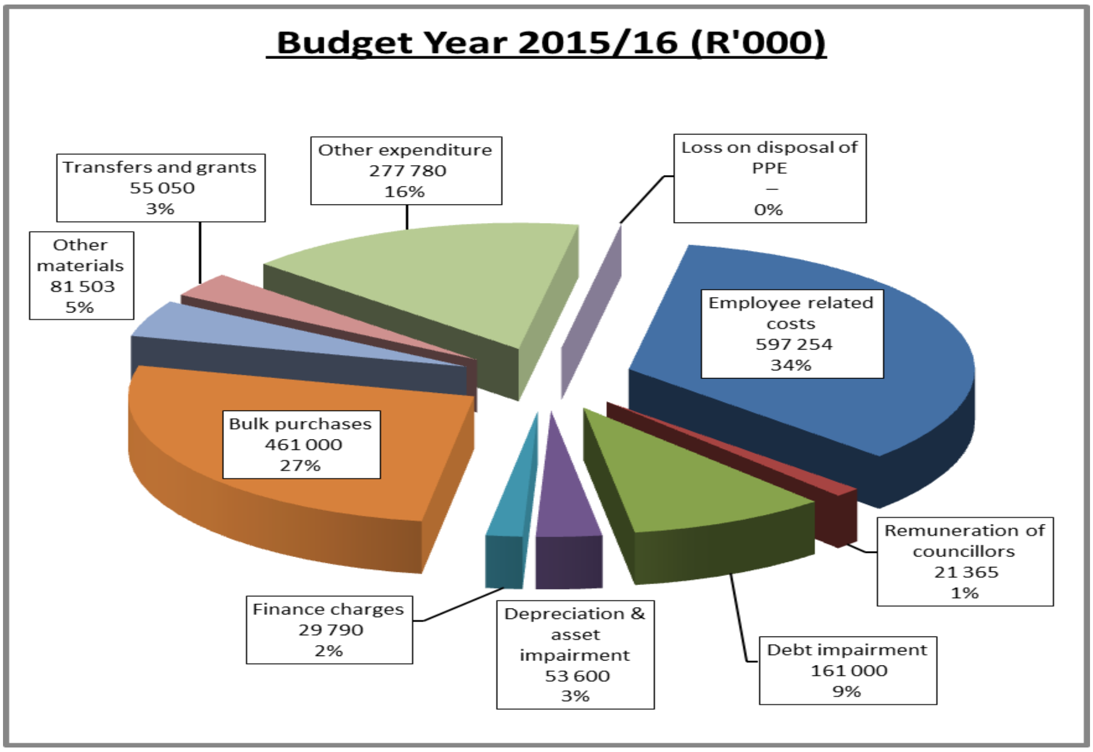
item, it informs the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.
Budget appropriations for depreciation and asset impairment total R53, 600 million for the 2015/16 financial year. The increase in the outer years is mainly due to the projected 85% capital budget expenditure on qualifying assets. In addition, multi-year projects, which were previously capitalised in final year of the budget is now capitalised when the asset is commissioned. Moveable assets are depreciated in the same year based on full budget spending and a detail assessment of each project is now performed to evaluate asset life span before calculation for the actual budget.

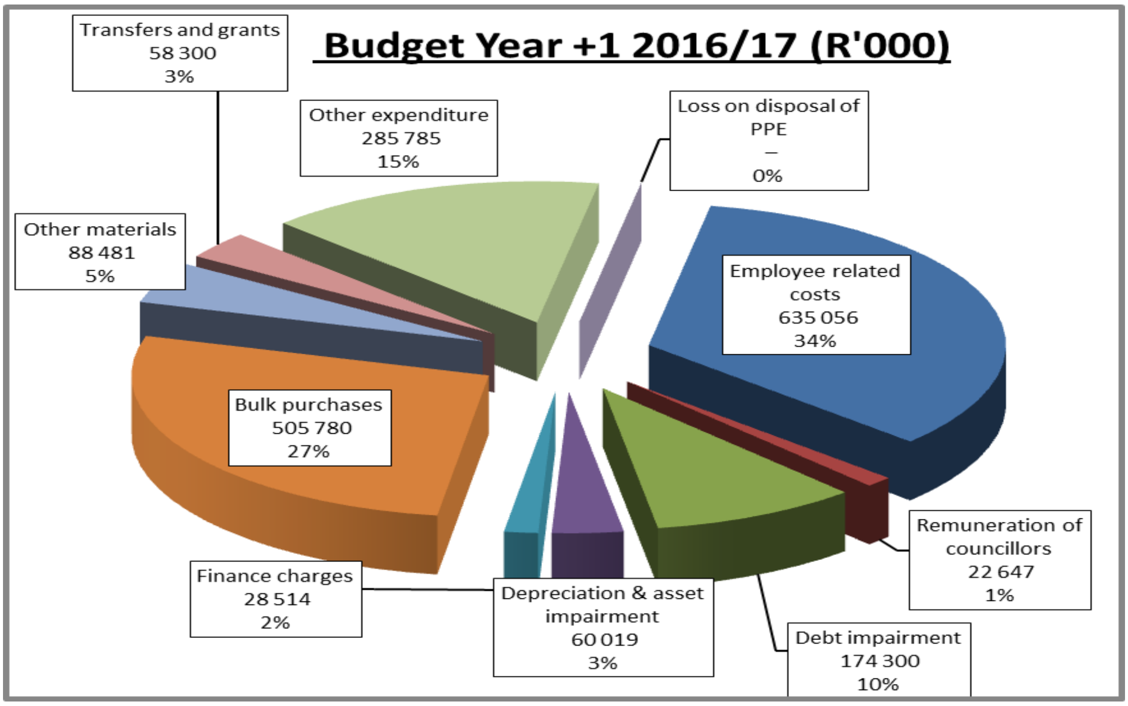
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges are estimated at R29, 790 million of 2015/16 and represent almost 1.8% of the operating expenditure, and it includes redemption costs. There are no new loans planned for 2015/16 MTREF.

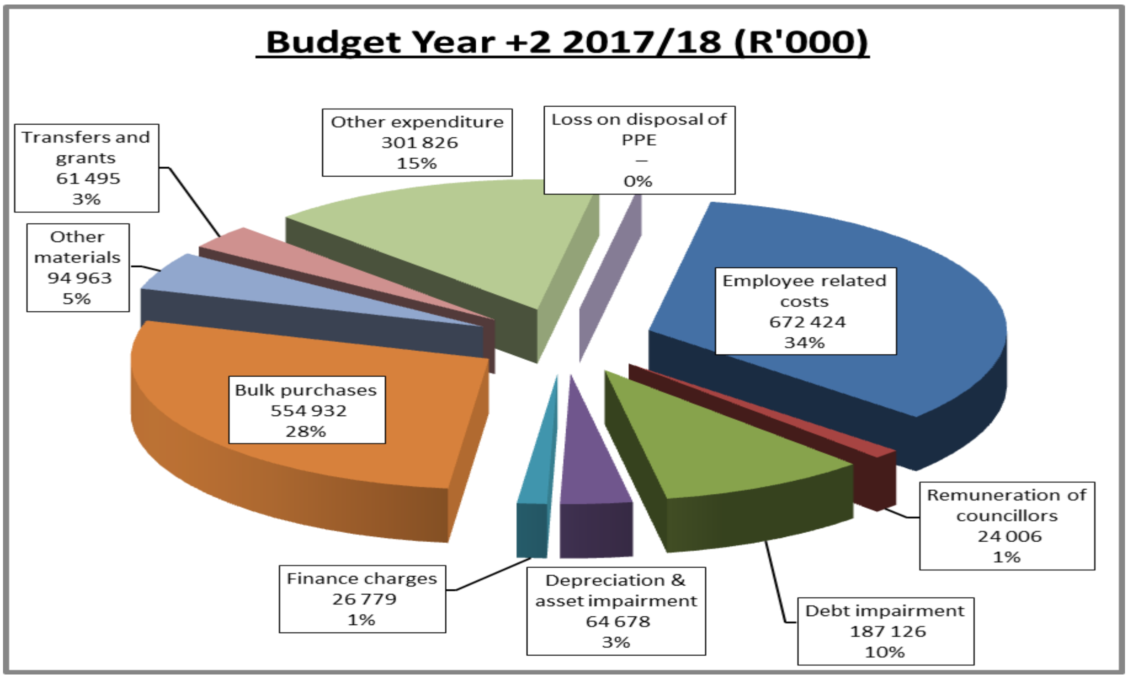
Budgetary provision for bulk purchases are largely informed by the purchase of electricity and water from the suppliers, i.e. Eskom and DWA. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on tariff requirements for these tariff-based services.

Other materials provisions cater for sundry items such as the purchase of materials for maintenance as well as the hiring of machinery and equipment and labour costs. The annual budget of other materials for 2015/16 is R81,503 million which equates to 5% of the total operating budget. The allocation is kept at 5% of total budget for the two outer years being 2016/17 and 2017/18 in the amounts of R88,481 million and R94,943 million respectively.

The following graph gives a breakdown of the main expenditure categories for 2015/16 to 2017/18.







3.6.2 Priority given to Repairs and Maintenance

The municipality acknowledges its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. There have been significant improvements in the approach for the budgeting of repairs and maintenance in recent financial years. The 2015/16 appropriations again are aiming for an above CPI level on year on year increases to this cost component.

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver, but an outcome of other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures

associated with repairs and maintenance. Operational repairs and maintenance (by service) as depicted in table 19 below

NC091 Sol Plaatje - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**55 679**	**54 869**	**55 478**	**72 091**	**75 091**	**75 091**	**63 149**	**69 456**	**75 051**
Infrastructure - Road transport		16 896	18 197	13 833	15 376	17 376	17 376	14 071	15 197	16 412
Roads, Pavements & Bridges		16 896	18 197	13 833	15 376	17 376	17 376	14 071	15 197	16 412
Storm water										
Infrastructure - Electricity		20 228	21 672	19 173	16 579	16 579	16 579	23 861	26 058	28 265
Generation										
Transmission & Reticulation		13 969	14 126	13 695	10 779	10 779	10 779	17 661	19 300	20 899
Street Lighting		6 259	7 546	5 478	5 800	5 800	5 800	6 200	6 758	7 366
Infrastructure - Water		18 555	15 000	14 391	29 037	27 037	27 037	25 157	26 543	27 998
Dams & Reservoirs										
Water purification								3 490	3 682	3 884
Reticulation		18 555	15 000	14 391	29 037	27 037	27 037	21 667	22 861	24 113
Infrastructure - Sanitation		–	–	7 367	6 449	9 449	9 449	7 654	9 815	10 964
Reticulation		–	–	7 367	6 449	9 449	9 449	6 542	8 635	9 716
Sewerage purification								1 112	1 181	1 248
Infrastructure - Other		–	–	714	4 650	4 650	4 650	(7 594)	(8 157)	(8 588)
Waste Management				680	4 650	4 650	4 650	4 800	5 040	5 492
Transportation	2									
Gas										
Other	3			33				(12 394)	(13 197)	(14 080)
Community		**10 576**	**11 716**	**7 762**	**9 890**	**10 140**	**10 140**	**5 648**	**5 829**	**6 203**
Parks & gardens		189	211	1 009	3 250	3 500	3 500	861	861	861
Sportsfields & stadia						–	–	440	466	492
Swimming pools					300	300	300	110	117	123
Community halls		389	412	1 098	620	620	620	36	38	40
Libraries		248	129	152	220	220	220	38	38	38
Recreational facilities		4 147	4 125	1 373	1 250	1 250	1 250	1 306	1 283	1 459
Fire, safety & emergency					2 500	2 500	2 500	1 032	1 094	1 154
Security and policing						–	–	1 239	1 313	1 385
Buses	7					–	–			
Clinics			293	247	530	530	530	70	74	78
Museums & Art Galleries						–	–			
Cemeteries					500	500	500	352	371	390
Social rental housing	8					–	–			
Other		5 603	6 546	3 884	720	720	720	165	173	183
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		**2 167**	**2 397**	**1 017**	**5 155**	**5 505**	**5 505**	**12 707**	**13 196**	**13 708**
General vehicles				(508)	1 200	1 200	1 200			
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment			1 357	1 129	1 890	1 890	1 890	226	241	255
Abattoirs										
Markets				308	315	315	315			
Civic Land and Buildings								110	117	123
Other Buildings					550	900	900	10	10	10
Other Land			513	77						
Surplus Assets - (Investment or Inventory)										
Other		2 167	527	11	1 200	1 200	1 200	12 361	12 829	13 320
Agricultural assets		–	–	–	–	–	–	–	–	–
Agricultural Assets										
Biological assets		–	–	–	–	–	–	–	–	–
Biological Assets										
Intangibles		–	–	–	–	–	–	–	–	–
Computers - software & programming										
Intangibles										
Total Repairs and Maintenance Expenditure	1	**68 422**	**68 982**	**64 257**	**87 136**	**90 736**	**90 736**	**81 503**	**88 481**	**94 963**

3.6.3 Bulk Costs

The municipality holds a license as a Water Resource Management Authority. Bulk water is purchased from Department of Water Affairs and is currently drawn from the Vaal River for Kimberly and Orange River for Ritchie/Motswedimosa.

It is estimated that the prices per cubic meter of raw water shall increase by 6.5% and purification costs are budgeted for separatly under general expenses (m-SCOA inventories).

The municipality also holds a license as an Electricity Distributor issued by NERSA. Bulk electricity is purchased from Eskom. In terms of NERSA's tariff increases, the bulk costs shall increase by 14.24%. This increase is effective from 1 July 2015.

3.6.5 Free Basic Services: Basic Social Services Package

The municipality provides free basic services to the qualifying household as per the Indigent Policy of the municipality. The qualification criteria is set on three pillars, being total household income not exceeding R3 750 per month, poof of occupancy on the property and user of user of municipal services as well as ownership or account holder details or holding an appointment as an Executor of Estate or being issued with the letter of authority from the High Court.

With the introduction of FLISP, it is important to align the municipality's quantification criteria with that of COGHSTA for low cost house beneficiary qualification. It is for this reason that the total household income remain at R3,750.00 compared to R3,000.00. The FLISP qualifying criteria, on the other hand is R3 501 – R14 999.99.

The municipality remains contact with the provision of free basic water, sanitation, refuse removal and free basic electricity.

The total cost of free basic services is estimated at R40.932-m in 2015/16.

The municipality has a section in its structure that deals with Indigent Policy implementation, registration and verification of indigents, accounts monitoring and indigent register maintenance.

Table A10 and Table SA9 provides the details on provision of free basic services

NC091 Sol Plaatje - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		43,064	52,832	52,910	53,802	53,802	53,802	55,746	57,406	58,098
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2									
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		43,064	52,832	52,910	53,802	53,802	53,802	55,746	57,406	58,098
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		7,465	7,465	7,387	6,495	6,495	6,495	6,995	7,595	8,095
Below Minimum Service Level sub-total		7,465	7,465	7,387	6,495	6,495	6,495	6,995	7,595	8,095
Total number of households	5	**50,529**	**60,297**	**60,297**	**60,297**	**60,297**	**60,297**	**62,741**	**65,001**	**66,193**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		41,186	51,741	53,097	53,989	53,989	53,989	55,746	57,406	58,098
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		41,186	51,741	53,097	53,989	53,989	53,989	55,746	57,406	58,098
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions		9,343	8,556	7,200	6,308	6,308	6,308	6,995	7,595	8,095
Below Minimum Service Level sub-total		9,343	8,556	7,200	6,308	6,308	6,308	6,995	7,595	8,095
Total number of households	5	**50,529**	**60,297**	**60,297**	**60,297**	**60,297**	**60,297**	**62,741**	**65,001**	**66,193**
Energy:										
Electricity (at least min.service level)		3,306	12,742	12,727	12,941	12,941	12,941	11,700	6,000	1,000
Electricity - prepaid (min.service level)		38,096	38,948	40,663	40,663	40,663	40,663	45,884	51,584	56,584
Minimum Service Level and Above sub-total		41,402	51,690	53,390	53,604	53,604	53,604	57,584	57,584	57,584
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources		9,127	8,607	6,907	6,693	6,693	6,693	5,157	7,417	8,609
Below Minimum Service Level sub-total		9,127	8,607	6,907	6,693	6,693	6,693	5,157	7,417	8,609
Total number of households	5	**50,529**	**60,297**	**60,297**	**60,297**	**60,297**	**60,297**	**62,741**	**65,001**	**66,193**
Refuse:										
Removed at least once a week		41,039	50,807	51,407	52,007	52,007	52,007	52,607	53,107	54,107
Minimum Service Level and Above sub-total		41,039	50,807	51,407	52,007	52,007	52,007	52,607	53,107	54,107
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		9,490	9,490	8,890	8,290	8,290	8,290	10,134	11,894	12,086
Below Minimum Service Level sub-total		9,490	9,490	8,890	8,290	8,290	8,290	10,134	11,894	12,086
Total number of households	5	**50,529**	**60,297**	**60,297**	**60,297**	**60,297**	**60,297**	**62,741**	**65,001**	**66,193**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		62,000	5,280	5,942	12,000	12,000	12,000	12,000	12,000	12,000
Sanitation (free minimum level service)		27,000	5,280	5,942	12,000	12,000	12,000	12,000	12,000	12,000
Electricity/other energy (50kwh per household per mo		27,000	5,280	5,942	12,000	12,000	12,000	12,000	12,000	12,000
Refuse (removed at least once a week)		27,000	5,280	5,942	12,000	12,000	12,000	12,000	12,000	12,000
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		65,303	1,267	1,426	4,329	4,329	4,329	3,843	4,077	4,328
Sanitation (free sanitation service)		32,470	6,086	7,296	18,831	18,831	18,831	16,713	17,677	18,712
Electricity/other energy (50kwh per household per mo		35,640	3,106	3,495	10,045	10,045	10,045	8,452	9,196	9,973
Refuse (removed once a week)		23,647	4,352	5,235	13,436	13,436	13,436	11,924	12,676	13,336
Total cost of FBS provided (minimum social packag		**157,060**	**14,811**	**17,453**	**46,640**	**46,640**	**46,640**	**40,932**	**43,626**	**46,350**
Highest level of free service provided										
Property rates (R value threshold)		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)					–	–	–			
Sanitation (Rand per household per month)		100	110	117	124	124	124	132	140	148
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		21	21	21	21	21	21	21	21	21
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		65,604	73,564	80,124	85,724	85,724	85,724	73,321	79,883	86,745
Property rates (other exemptions, reductions and rebates)						–	–			
Water		65,303	1,267	1,426	4,329	4,329	4,329	3,843	4,077	4,328
Sanitation		32,470	6,086	7,296	18,831	18,831	18,831	16,713	17,677	18,712
Electricity/other energy		35,640	3,106	3,495	10,045	10,045	10,045	8,452	9,196	9,973
Refuse		23,647	4,352	5,235	13,436	13,436	13,436	11,924	12,676	13,336
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		**222,664**	**88,375**	**97,577**	**132,364**	**132,364**	**132,364**	**114,253**	**123,509**	**133,095**

Free basic water of 6kl per month per household R5.07
Free basic sanitation per month per household R132.31
Free basic electricity 50kWh per month per household R1.3383 (c/Kwh)
Free basic refuse removal per month per household R94.40

The municipality targets to support 12,000 indigent households per annum for the next 3 years.

3.7 CAPITAL EXPENDITURE FRAMEWORK

The capital expenditure framework is based on the key performance areas of the municipality as well as service delivery priorities as identified and agreed upon by Council with the public, and this is summarised in the 5-year plan, the IDP.

The IDP is reviewed annually to ensure that the budget is informed by the key parties as identified. Once the IDP review is complete, SDBIP is submitted to the Executive Mayor, ultimately performance agreements are entered into between the Mm and Mayor and MM with CFO and executive senior managers.

Infrastructure development and provision of access to basic services remains priority in the 2015/16 MTREF. However, due to the reduction in grants gazetted such as MIG and INEP, the current access to services backlog will even take longer to eradicate as the municipality shall not have the financial capacity to fund the projects. There is an apparent increase in demand for houses which leads to people invading vacant pieces of lands and later demand basic municipal services such as water, sanitation and electricity.

Whereas the key objective of the municipality is **Infrastructure led growth path** in the local economy to ensure sustainable development, the following have been identified as priority spending areas in the capital expenditure budget for 2015/16 and the two outer years up to 2016/17

- Completion of bulk projects (HWWTW)
- Roads rehabilitation – internal roads within communities
- Towards a Green Economy (Green electricity, Green procurement)
- Clean and Green City
- Embark on a Growth and Development Strategy with a 30-year planning horizon
- Inner City Revival linked to new University
- Ward/Precinct Plans
- Disaster management issues (Roads and storm water)
- Basic housing (Township establishment)
- Spatial development and land use for security of land tenure and revenue enhancement

In the contrary, the growth in demand service is not mainly by paying residents including businesses, but by the indigent households.

The following tables 23 and 24 are the projects for implementation in the 2014/15 and the two outer years 2015/16 to 2016/17 by municipal vote:

Top Five funded projects

Homevale Waste Water Treatment Plant (15ml extension) – R43 million

The Homevale Waste Water Treatment Plant Project has been on-going since 2010 with the tender been awarded for R168million. The project is progressing and it is course for completion in 2015/16. The impact of the completion section already made an impact on development with Lerato Housing project being one of the beneficiaries of the extension of the plant. Wholesale development will be unlocked when project is eventually completed during the first quarter of 2017.

Landfill Site – R12,885 million

As legislation requires, the landfill has constantly been under the spotlight and funding has now been provided to upgrade the landfill site to be comparable to the best in the country. Over the last couple of years huge progress has been made to improve the site and with the funding now provided, it will be upgraded to a higher level which should exceed the minimum requirement levels as stipulated by the relevant legislation.

Electrification Diamant Park Phase 2 – R7 million

With the ever increasing population of Greenpoint and the city at large, the need arose to service erven in the area to accommodate those staying in the informal settlements.Council secured funding from Coghsta to proceed with services for 1150 erven in Greenpoint. The R3m grant received in 2014/15 through the Integrated National Electricity Program being inadequate to complete the electrification of the area, a further R7m has been committed for 2015/16 to complete the project. Coghsta has committed R50m for the laying of services. On completion of the project, approximately ten thousand people will be provided with accommodation.

Ritchie Bulk – R6.4 million

Through funding provided by the Municipal Infrastructure Grant (MIG), bulk services in the form of water, sewer and electricity can now be provided to the greater Ritchie area. The budget appropriated will increase during the 2016/17 mtref to R16,3m and R32,1m for the 2017/18 financial years. This will most certainly address the backlogs in the area and will allow for the expansion of the area which was stagnant as a result of the unavailability of funds.

Carters Glen Sewerage – R5 million

As a result of development in that area of the city, it has become necessary to improve the sewer system to unlock further development in that part of the city. The newly built Gariep Medi-Clinic is part of the new development and this will spark further interest and resulting development in the area. Council are aware of this and future expansion of the area and therefore funding through the Capital Replacement Reserve is provided to provide the necessary service so as not to curtail development which will be beneficial to the city as a whole.

3.5 Operating Revenue Framework

The table 3 below presents the revenue by source as projected for the 2015/16 MTREF:

Description (R thousand)	2011/12	2012/13	2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework							
Revenue By Source	Audited Outcome	Audited Outcome	Audited Outcome	% Growth	Original Budget	Adjusted Budget	% Growth	Budget Year 2015/16	% Growth Original 2014/15	% Growth Adjusted 2014/15	Budget Year +1 2016/17	% Growth	Budget Year +2 2017/18	% Growth	% Growth over 5 years
Property rates	271,038	331,348	368,225	11.1%	397,946	397,946	0.0%	423,808	6.5%	6.5%	461,721	8.9%	501,361	8.6%	36.2%
Property rates - penalties & collection charges		–	–		–	–		–			–		–		
Service charges - electricity revenue	480,070	539,544	528,885	-2.0%	608,853	568,853	-6.6%	651,586	7.0%	14.5%	708,906	8.8%	768,813	8.5%	45.4%
Service charges - water revenue	169,936	198,997	197,867	-0.6%	239,315	224,315	-6.3%	245,333	2.5%	9.4%	260,367	6.1%	276,234	6.1%	39.6%
Service charges - sanitation revenue	52,962	58,667	63,601	8.4%	67,187	67,887	1.0%	72,545	8.0%	6.9%	76,730	5.8%	81,230	5.9%	27.7%
Service charges - refuse revenue	37,731	41,221	44,695	8.4%	46,841	46,841	0.0%	50,428	7.7%	7.7%	53,607	6.3%	56,397	5.2%	26.2%
Service charges - other	1	–	–		–	–		–			–		–		
Rental of facilities and equipment	12,416	14,253	17,795	24.9%	17,606	17,606	0.0%	19,182	9.0%	9.0%	20,370	6.2%	21,520	5.6%	20.9%
Interest earned - external investments	8,565	15,240	21,413	40.5%	12,000	16,000	33.3%	16,000	33.3%	0.0%	20,000	25.0%	22,000	10.0%	2.7%
Interest earned - outstanding debtors	30,424	32,108	56,744	76.7%	45,000	65,000	44.4%	50,000	11.1%	-23.1%	49,000	-2.0%	47,000	-4.1%	-17.2%
Dividends received		–	–		–	–		–			–		–		
Fines	5,424	4,652	11,554	148.4%	7,635	11,635	52.4%	10,419	36.5%	-10.5%	11,037	5.9%	11,637	5.4%	0.7%
Licences and permits	3,797	2,568	2,708	5.5%	2,672	2,672	0.0%	2,995	12.1%	12.1%	3,176	6.0%	3,352	5.5%	23.8%
Agency services	3,603	4,860	4,339	-10.7%	4,900	4,900	0.0%	5,800	18.4%	18.4%	6,298	8.6%	6,844	8.7%	57.7%
Transfers recognised - operational	154,482	166,865	166,601	-0.2%	164,710	169,842	3.1%	166,787	1.3%	-1.8%	159,437	-4.4%	161,379	1.2%	-3.1%
Other revenue	25,323	35,599	36,945	3.8%	33,745	82,399	144.2%	34,336	1.8%	-58.3%	36,438	6.1%	38,704	6.2%	4.8%
Gains on disposal of PPE	–	–	275		–	–		–			–		–		
Total Revenue (excluding capital transfers and contributions)	**1,255,771**	**1,445,923**	**1,521,649**	**5.2%**	**1,648,410**	**1,675,896**	**1.7%**	**1,749,221**	**6.1%**	**4.4%**	**1,867,087**	**6.7%**	**1,996,471**	**6.9%**	**31.2%**

The table above can be summarised as follows:

- That revenue from property rates shall increase by between 6.5% and 7% year on year;
- That revenue from service charges of electricity shall increase by 14.54% against the tariff increase of 12.2%;
- That revenue from water service charges shall increase by 9.36% against the tariff increase of 6.5%;
- Licences and permits revenue is projected to increase by 14% from 2014/15 to 2015/16 whilst income from agency services increases by 18% from 2014/15 to 2015/16;
- That revenue from service charges for sanitation shall increase by 6.86% against a tariff increase of 6.50%;
- That revenue from refuse collection shall increase by 7.66% against a tariff increase of 6.5%.

The year on year revenue growth is 4.37% from 2014/15 to 2015/16, 6.75% from 2015/16 to 2016/17 and 6.9% from 2016/17 to 2017/18. The overall revenue growth for the period 2014/15 to 2017/18 is 19.16%.

3.6 Expenditure by type

Table 2 above can be explained as follows:

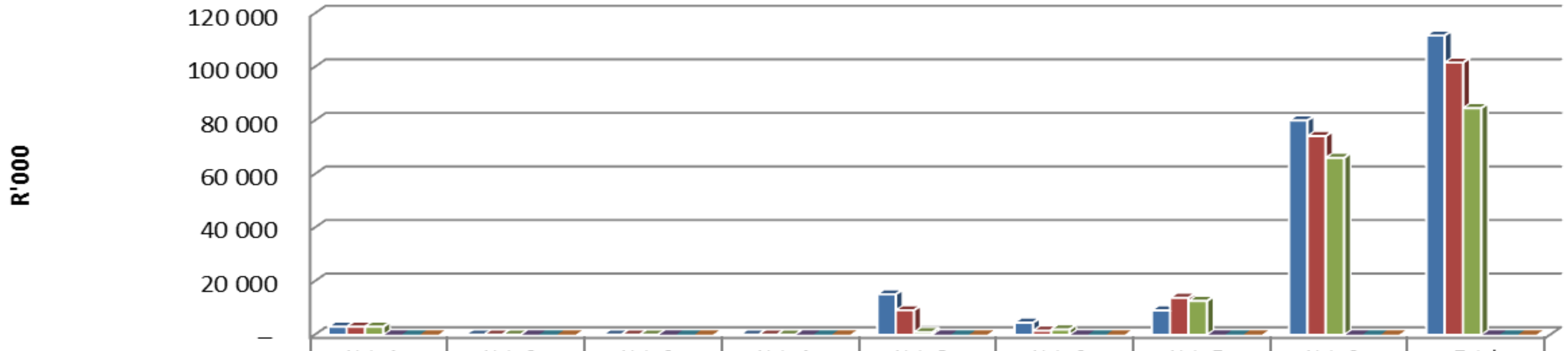
- That employee costs shall grow by 12% from 2013/14 to 2014/15 whilst remuneration of Councillors is growing by 7% for the same period
- That debt impairment shall grow by 8% year on year from 2013/14 to 2014/15
- Finance charges are reducing by 18% for the same period as above
- Bulk purchases of water and electricity increases by 8% for the period as indicated herein
- Whilst other materials indicates a 5% growth year on year from 2013/14 to 2014/15
- A 1% increase on grants and subsidies made is projected for the same period of 2013/14 to 2014/15
- Other expenditure is set to increase by 5% from 2013/14 to 2014/15
- The overall operating expenditure budget increases by 9% year on year from 2013/14 to 2014/15 and 6% increases from 2014/15 to 2015/16 and a further 6% growth from 2015/16 to 2016/17

For the period 2012/13 to 2016/17, the operating expenditure budget reflects a 42% growth.

It is part of financial management strategy for stronger cash flow position and financial sustainability to manage and control expenditure to ensure that there is a balance between the growth rate of revenue and expenditure. Sol Plaatje Municipality funds its operations mainly from revenue generated from service charges and property rates and taxes of which the increase directly impacts on affordability and sustainability of municipal services.

Councillor allowances increases are the function of the Minister of the Department Corporative Governance and only an estimate is projected based on inflation and other assumptions as will be alluded to herein.

Capital Expenditure per Municipal Vote



	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - MUNICIPAL AND GENERAL	Vote 3 - MUNICIPAL MANAGER	Vote 4 - CORPORATE SERVICES	Vote 5 - COMMUNITY SERVICES	Vote 6 - FINANCIAL SERVICES	Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	Vote 8 - INFRASTRUCTURE AND SERVICES	Total
Budget Year 2015/16	3 000	–	–	–	15 096	4 500	9 100	80 012	111 709
Budget Year +1 2016/17	3 000	–	–	–	9 136	1 500	13 800	74 184	101 620
Budget Year +2 2017/18	3 000	–	–	–	966	2 000	12 600	66 080	84 646
% Spent Budget Year 2015/16	3%	0%	0%	0%	14%	4%	8%	72%	100%
% Spent Budget Year +1 2016/17	3%	0%	0%	0%	9%	1%	14%	73%	100%
% Spent Budget Year +2 2017/18	4%	0%	0%	0%	1%	2%	15%	78%	100%

As indicated in the chart above the bulk of the envisaged capital expenditure is designated to Infrastructure and Services which is broken down as follow 72% (2015/16), 73% (2016/17) and 78% (2017/18)

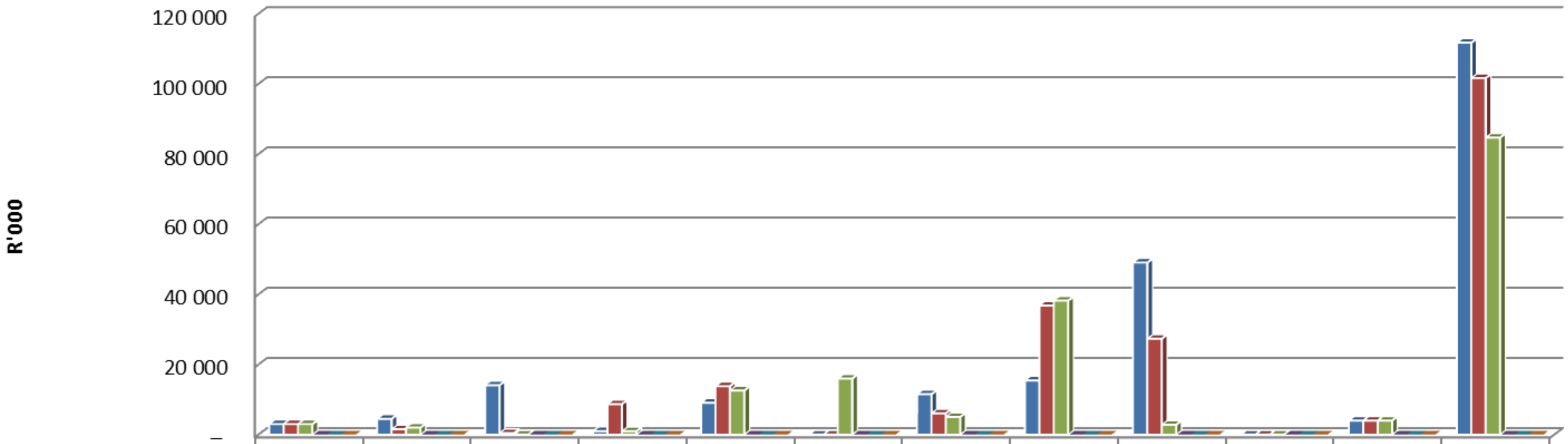
This is followed by Community Services with the breakdown as follow 14% (2015/16), 9% (2016/17) and 1% (2017/18)

Strategy, Economic Planning and Development 8% (2015/16), 14% (2016/17) and 15% (2017/18)

Financial Services 4% (2015/16), 1% (2016/17) and 2% (2017/18)

Executive and Council 3% (2015/16), 3% (2016/17) and 4% (2017/18)

Capital Expenditure per Standard Classification



	Executive and council	Budget and treasury office	Community and social services	Public safety	Planning and development	Road transport	Electricity	Water	Waste water management	Waste management	Other	Total
Budget Year 2015/16	3 000	4 500	14 096	1 000	9 100	–	11 500	15 460	49 053	–	4 000	111 709
Budget Year +1 2016/17	3 000	1 500	442	8 694	13 800	–	6 045	36 781	27 359	–	4 000	101 620
Budget Year +2 2017/18	3 000	2 000	–	966	12 600	15 991	5 046	38 217	2 825	–	4 000	84 646
% Spent Budget Year 2015/16	3%	4%	13%	1%	8%	0%	10%	14%	44%	0%	4%	100%
% Spent Budget Year +1 2016/17	3%	1%	0%	9%	14%	0%	6%	36%	27%	0%	4%	100%
% Spent Budget Year +2 2017/18	4%	2%	0%	1%	15%	19%	6%	45%	3%	0%	5%	100%

Indicated in the chart above is the budgeted capital expenditure per Standard Classification of the bulk of the capex to be incurred on Water and Waste Water Management for 2015/16 financial year.

4. Annual budget tables

Table A1: Adjustments Budget Summary
Table A2: Adjustments Budget Financial Performance (standard classification)
Table A3: Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)
Table A4: Adjustments Budget Financial Performance (revenue and expenditure)
Table A5: Adjustments Capital Expenditure Budget by vote and funding
Table A6: Adjustments Budget Financial Position
Table A7: Adjustments Budget Cash Flows
Table A8: Cash backed reserves/accumulated surplus reconciliation
Table A9: Asset Management
Table A10: Basic service delivery measurement
Please refer to Section 1: Budget Schedules and supporting tables

PART 2 – SUPPORTING DOCUMENTATION

5. Overview of Annual Budget Process

Section 24 of the MFMA requires the municipal council to, at least 30 days before the start of the financial year; consider the annual budget for approval. Whilst section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations as issued in terms of Gazette No. 32141 dated 17th April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the Responsibilities as set out in section 53 of the Act:

(1) The mayor of a municipality must establish a budget steering committee (BSC) to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

(2) The [6]Steering committee must consist of at least the following persons:

a) the councillor responsible for financial matters;
b) the municipal manager;
c) the chief financial officer;
d) the senior managers responsible for at least the three largest votes in the municipality;
e) the manager responsible for budgeting;
f) the manager responsible for planning; and
g) any technical experts on infrastructure

The 2015/16 financial year signifies the 4th year of the current 5-year IDP cycle. Re-allocation of resources was considered in terms of the IDP review, budget realities and sundry strategic considerations. The principles applied to the MTREF and presented to the BSC informed a number of financial scenarios over the short, medium term and long term. These scenarios are based on revenue and expenditure parameters applied to current financial plans and are utilised to calculate the affordability and sustainability of the City's budget over the medium to long term.

5.1 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule that sets out the process to draft the IDP and prepare the budget, 10 months before the start of the new financial year. At the postponed Mayoral Committee meeting held on 25 July 2013 it was referred back to MM for interaction with EMT and the Executive Mayor. At the special Mayoral Committee meeting of 5 August 2013, it was recommended by the Executive Mayor for approval by Council In compliance with this requirement, the IDP- and budget cycle time schedule (process plan) was tabled to Council on the 1 October 2013.

In compliance to the above requirements, the budget process for the 2015/16 MTREF period proceeded according to the following timeline:

August 2014
Submission of IDP/Budget timetable to Council for approval; Outline of budget process to EMT; Strategic session with EMT / Mayco / BSC re budget strategy, process and guidance.

[6] Minutes of BSC available

September 2014
Mayoral oversight in terms of Section 52 of the MFMA – Mayor provided strategic focus areas and guidance for the budget preparation process in terms of the Integrated Development Plan.

October 2014
Directorates-based consultative sessions with the IDP and Finance Departments; Executive Directors attended EMT and Council meetings
Budget Steering Committee meetings
Budget Integration Cluster Meetings

November / December 2014
Service department's workshop on their 2015/16 budget proposals
BSC meeting
Capital investment plans for 3-year MTREF period and budgeting per strategic alignment to the draft IDP.

January / February 2015
Drafting of the detailed Operating and Capital Budgets.
Tabling of the Mid-year Budget and performance assessment
Tabling of the Adjustment Budget

March 2015
EMT
BSC
Mayoral Committee
Informal Council meeting
Tabling of the Annual Budget

April 2015
The budget, IDP and tariff proposals shall be published for comment and consultation as part of the public participation process. Comments received as a result of the public participation process to be submitted to Mayco for consideration.

May 2015
The 2015/16 MTREF budget, as amended, is scheduled for adoption by Council.

5.2 Overview of the alignment of annual budget with IDP

The municipality's Integrated Development Plan (IDP) is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the city administration's commitment to exercise its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails), and is effectively the local government's blueprint by which it strives to realise its vision for Sol Plaatje Municipality in the short, medium and long term.

However, while the IDP represents the strategic intent of the municipality, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of national and international economic, political or social events.

The 5-Year term of office IDP (2012/13-2016/17) for the municipality was developed in line with the Term of Office IDP Process Plan (2011/12 -2015/16), approved by Council and the

2012/13 IDP and Budget Time-Schedule of Events approved by the Executive Mayor and noted by Council.

The 2012/13 Time Schedule applicable to the IDP (2012/13-2016/17) review for the City included the following key IDP processes and deliverables:

- Advertisement of time-schedule on website, local newspapers and notice boards;
- Engagement with communities/Ward and Sector organisations to participate in the prioritisation of Council initiatives at Ward level;
- Submission of summary of engagement inputs and responses to public inputs by line departments Councils
- Table draft Annual Report to Mayco;
- Table draft IDP and Budget Report to Mayco and Council;
- Publication of 2012/13 oversight report;
- Conduct IDP/ Municipal Scorecard (SDBIP)/Budget Public Hearings to obtain public comment from communities, provincial government and other relevant stakeholders on the draft IDP;
- Final approval of the IDP/SDBIP and Budget document by Council resolution,
- setting taxes and tariffs, approving changes to the IDP and budget related policies, approval of measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year;
- Notification of approved 2014/15-2016/17 reviewed IDP and Budget to public;
- Response to public comment in respect of Budget, tariffs and policies;
- Approval of performance agreements of the Municipal Manager and Section 57 Managers by Executive Mayor within 28 days after the approval of the IDP and Budget. Submission to the MEC of Local Government and publication within 14 days after approval; and
- Notification of approved 2014/2015 top management performance agreement (S57 employees)to the public.

5.3 Community Consultation

In accordance with the MFMA, Municipal Systems Act (32 of 2000) and the Municipal Property Rates Act (6 of 2004), the tabled 2015/16 MTREF and associated documentation will be published for consultation after it is tabled in Council on 30th of March 2015. As depicted in the table below is the proposed public participation programme for 2015/16.

SOL PLAATJE MUNICIPALITY
Better Quality of Life for All
A Better Standard of Living for All

In accordance with the Municipal Systems Act (Chapter 5) and Municipal Finance Management Act (Chapter 4), notice is hereby given that the Draft Integrated Development Plan (IDP) and Budget for 2015/16 – 2017/18 for the Sol Plaatje Municipality was presented to the Executive Mayoral Committee and tabled to Council on 30 March 2015.

Copies of these documents will be available at all municipal libraries as well as the Council Civic Centre (Information Counter and Budget Office) for public inspection. The information will also be published on the Municipality's website – www.solplaatje.org.za

Date	Forum / Ward	Venue	Time
13.04.2015	IDP/ Budget Business Forum	City Hall	10.00
	Open Ward Meetings		
13.04.2015	Galeshewe: Including all areas within the boundaries of Galeshewe	Social Centre	17h00
16.04.2015	Roodepan – including Colville, Floors, Homevale, Homelite , Homestead and all surrounding areas	Roodepan Multi-Purpose Hall	17h00
20.04.2015	Kimberley, CBD and all other areas close to the Central Business District including Beaconsfield and Greenpoint.	City Hall	17h00
21.04.2015	Platfontein, Ritchie, Riverton and Langleg	Platfontein Combine School, Motswedimosa Hall, Riverton Hall	17h00 17h00 17h00

Interested parties, local community and stakeholders are invited and urged to submit representations, comments and inputs regarding the draft IDP and draft Budget 2015/16 – 2017/18 on or before 23th April 2015.

Written submissions must be handed in at the Civic Centre (Budget Office), faxed to 053 8331 005 / 053 8314 658, or e-mailed to zlmahloko@solplaate.org.za,(CFO), mstols@solplaatje.org.za (IDP), (Budget and Treasury) jwagner@solplaatje.org.za, chenderson@solplaate.org.za, cjenneke@solplaatje.org.za and banthony@solplaatje.org.za

The municipality's priority objectives are set out in its Integrated Development Plan (IDP) which provides the strategic framework that guides the city's planning and budgeting over the course of the five year political term. Five pillars have been identified to focus delivery and translate the electoral mandate into the organisational structures of the municipality.

The 5 key performance areas of the municipality are:
KPA 1: Provide an enabling environment for Local Economic Development in SPM within the context of National and Provincial Frameworks
KPA 2: Infrastructure Development and Sustainable Service Delivery
KPA 3: Municipal Financial Viability and Management
KPA 4: Municipal Institutional Development and Transformation
KPA 5: Good Governance and Public Participation

5.4 The intergovernmental development agenda for Sol Plaatje Local Municipality

The municipality engages with the Province and National Government in a structured and functional manner. At a political level, formal engagements between the Provincial Cabinet and the City's Mayoral Committee take place quarterly through MUNMEC and IGR.

Internally, administration interacts with various committees of Councils and through the Mayoral Committee. These interactions are aimed at ensuring maximum benefit for the municipality through better planning, coordination and accountability among all spheres of government; enhancing the municipality's strategic objectives of infrastructure investment for economic growth, service delivery and institutional efficiency and achieving better and more efficient resource utilisation.

In short, all the aforementioned engagements are aimed at ensuring that the municipality extracts value and benefit from its participation in intergovernmental and international cooperative relations. The national and provincial priorities, policies and strategies of importance include amongst others which is are driving forces by the IDP 2012/13 – 2016/17

- Towards a Fifteen Year Review:
- National Spatial Development Perspective:
- AsgiSA: Accelerated and Shared Growth Initiative, South Africa
- The Local Government Turnaround Strategy (LGTAS)
- The Outcomes Based Approach to Service Delivery
- National Development Plan (NDP) –Vision 2030
- Northern Cape Growth and Development Strategy
- Frances Baard Growth and Development Strategy

The vision of the municipality is

SOL PLAATJE, A DYNAMIC AND CARING MUNICIPALITY THAT PROVIDES A COMPREHENSIVE RANGE OF AFFORDABLE SERVICES TO ALL ITS RESIDENTS

The budget is allocated against the five strategic focus areas. This visionary framework is rolled out into objectives, key performance indicators (KPIs) and targets for implementation. These are then broken down into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources.
The figure as depicted in table 25 below visually represents the link between the IDP and the Budget:

Strategic Objective R thousand	Goal	Revenue			Expenditure			Capital Expenditure		
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
KPA 1: Local Economic Development	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks To initiate, lead and sustain an investment environment for job creation in the SPM Area To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	8 325	8 855	9 374	42 198	44 882	47 540	9 100	13 800	12 600
KPA2: Basic and Sustainable Service Delivery and Infrastructure Development	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth							43 053		
	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets									
	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and stormwater as well as community services to all residents of SPM	1 081 660	1 160 128	1 242 855	1 164 522	1 259 133	1 354 459	36 960	74 184	66 080
	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM							15 096	9 136	966
KPA 3: Municipal Financial Viability and Management	Ensure sound financial management and financial sustainability of SPM	492 312	533 864	577 843	112 557	119 593	126 572	4 500	1 500	2 000
KPA 4: Municipal Institutional Development and Transformation	To provide an overarching framework for sustainable municipal performance improvement To provide a framework for Municipal Transformation and Institutional Development	5 960	6 318	6 665	14 074	14 919	15 739	3 000	3 000	3 000
KPA 5: Good Governance and Public Participation	To ensure an Unqualified Audit Report To enhance the public profile, reputation and positioning of the SPM	225 238	221 161	223 478	404 992	420 355	443 918			
Total		**1 813 495**	**1 930 326**	**2 060 215**	**1 738 343**	**1 858 882**	**1 988 228**	**111 709**	**101 620**	**84 646**

6. Measurable performance objectives and indicators

As depicted in Table 26 below

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
1. Local Economic Development										
1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks										
Through the adoption of Mzantsi Golden Economy strategy, promote tourism into the city using arts, culture and heritage as a strategy	Number of arts and culture related activities	Not a target in this FY	Not a target in this FY	Not a target in this FY	3.0	4.0	4.0	3.0	3.0	3.0
Support SMME's through incubation and mentoring of at least 10 businesses annually	Number of businesses incubated and mentored	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	10	10	10
Through monthly inspection of residential business ensure that small businesses are licensed	Inspection reports	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	12	12	12
Host an SMME Business week annually	Hosted SMME business week. Programme, agenda, attendance registers	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	1	1	1
Improve the turnaround time for development applications to 12 weeks (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council by 30 June 2017	Average time in weeks to approve applications	12 - 16weeks	8 weeks	8.67	12 weeks	12 weeks	12 weeks	10weeks	10weeks	10weeks
Ensuring a turnaround time of 4 weeks for building plan approval by 30 June 2016 for buildings for architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	12 weeks	8 weeks	11.67	4 weeks	4 weeks	4 weeks	6weeks	4weeks	4weeks
Ensuring a turnaround time of 8 weeks for building plan approval for buildings for architectural buildings more than 500m² in accordance with NBRBSA - 103/1977by 30 June 2017	Average time in weeks to approve building plans	12 weeks	8 weeks	7.84	8 weeks	8 weeks	8 weeks	9weeks	8weeks	8weeks
To improve the SCM turnaround time for annual contracts to 12 weeks from closing date to date of award by 30 June 2017.	Average time in weeks to award annual tenders	Not a target in this FY	Not a target in this FY	12.08	12 weeks	12 weeks	12 weeks	12weeks	12weeks	12weeks
To improve the SCM turnaround time for once-off contracts to 6 weeks from closing date to date of award by 30 June 2017.	Average time in weeks to award once-off contracts	Not a target in this FY	Not a target in this FY	9.87	6 weeks	6 weeks	6 weeks	6weeks	6weeks	6weeks
1.2 To initiate, lead and sustain an investment environment for job creation in the SPM Area										
Create 1025 FTE jobs through initiatives of the SPM (including LED, EPWP, Capital Projects, Maintenance activities etc) by 30 June 2017	Number of FTE jobs created	115	115	893	320	320	320	300	350	375
1.3 To leverage municipal assets and the municipal assets and the municipal procurement process with the view to stimulate redistribution and growth										
Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from local BEE and SMME service providers	% of the Municipality's own procurement for goods and services sourced from enterprises with a minimum of level 3 BBBEE contributor	63.0%	65.0%	67.0%	60%	60%	60%	60.0%	60.0%	60.0%

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
To alienate earmarked Municipal land and properties to the value of at least R 5 million for development purposes in line with the SDF/LUMS on an annual basis	R value of proceeds received from land and property sales	Not a target in this FY	Not a target in this FY	R 1,867m	5 000 000	5 000 000	5 000 000			
To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Feasibility studies performed	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	2	2	2
2. Service Delivery										
2.1 To ensure adequate provision of bulk infrastructure to unlock and sustain development and growth										
Replace 2 old high lift pumps at Riverton Water Purification Works with new ones by 30 June 2016.	Number of pumps replaced	Not a target in this FY	Not a target in this FY	0	2	2	2	-	-	-
Completion of the bulk sewage project at Homevale will ensure an additional 15 Ml/day treatment capacity by December 2015	% completion of the project	Not a target in this FY	Not a target in this FY	64.0%	100.0%	100.0%	100.0%	100.0%	-	-
2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets										
Decrease electricity losses to 15% by 30 June 2017	% electricity losses	27%	Not a target in this FY	16,47%	15%	15%	15%	15.5%	15.0%	14.0%
Decrease non-revenue water losses to 33% by 30 June 2017	% water losses	35%	Not a target in this FY	44.0%	30%	47%	47%	37.0%	33.0%	30.0%
Achieve 100% Bluedrop Status by 30 June 2017	% status achieved	Not a target in this FY	Not a target in this FY	78.0%	90%	90%	90%	92.0%	100.0%	100.0%
Achieve 100% Greendrop Status by 30 June 2017	% status achieved	Not a target in this FY	Not a target in this FY	56.0%	85%	85%	85%	90.0%	100.0%	100.0%
Paving of 8,5 km of residential roads by 30 June 2017	Kilometres of streets paved	Not a target in this FY	Not a target in this FY	17km	Not a target in this FY	Not a target in this FY	Not a target in this FY	2.5km	6km	-
Save10MW of electricity during peak times by switching off 2kw geysers of 25000 households as requested by ESKOM	Units of electricity saved	Not a target in this FY	Not a target in this FY	36 MW	10MW	10MW	10MW	-	-	-
2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and stormwater services to all residents of SPM										
786 new households connected to the electricity network by 30 June 2017	Number of houses connected to electricity network	Not a target in this FY	Not a target in this FY	492	214	214	214	446	-	-
1800 new households to be provided with a weekly solid waste removal service by 30 June 2017	Number of houses receiving a weekly solid waste removal service	Not a target in this FY	Not a target in this FY	0	600	600	0	600	1200	-
2492 new households connected to sewer network by 30 June 2017	Number of houses connected to the sewer network	Not a target in this FY	Not a target in this FY	1854	892	892	892	-	-	-

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
2492 new households connected to water network by 30 June 2017	Number of houses connected to water network	Not a target in this FY	Not a target in this FY	1067	892	892	892	533	-	-
12 000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2017	Number of indigent households receiving free basic services	Not a target in this FY	Not a target in this FY	5,792	12000	10000	10000	12000	12000	12000
1375 new households provided with a subsidised house by 30 June 2017	Number of houses constructed	Not a target in this FY	Not a target in this FY	516	440	409	409	-	-	-
1272 new erven planned, surveyed and ready for installation of municipal services in existing informal settlements by 30 June 2017	No of erven surveyed on approved SG diagramme	Not a target in this FY	Not a target in this FY	10	1272	457	457	3527	-	-
A planned, prioritised and budgeted operational plan for each section in the Directorate Community and Social Development Services (Personal Health, Environmental Health, Library, Parks and Recreation, Emergency, Traffic, Motor Registration and Licensing and Social Development) annually	% progress	Not a target in this FY	Not a target in this FY	100.0%	100%	100%	100%	-	-	-
3. Financial Management and Viability										
3.1 To ensure sound financial management and financial sustainability of the SPM										
To improve revenue enhancement by ensuring a collection rate of 90,5% after debt write off by 30 June 2017	% collection rate	91%	88%	79.0%	88%	88%	88%	89.4%	90.5%	90.5%
To spend at least 95% of the Capital Budget (including VAT) on capital projects identifed ito the IDP by 30 June 2017	% capital expenditure of capital budget	100%	100%	83.0%	87%	87%	87%	90.0%	95.0%	95.0%
To spend at least 95% of the Operational Budget annually (30 June)	% operating expenditure of operational budget	94%	95%	90.0%	95%	95%	95%	95.0%	95.0%	95.0%
To maintain a debt coverage ratio at least 2:1 against net assets of the municipality by 30 June 2017	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	25%	25%	1.83:1	02:01	02:01	02:01	02:01	02:01	02:01
Reducing the ratio of outstanding service debtors to revenue to 20% by 30 June 2017	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	24%	25%	31.0%	40%	40%	40%	25.0%	20.0%	20.0%
Increase the cost coverage ratio to 3:1 annually by 30 June 2017	% opex of operational budget	Not a target in this FY	Not a target in this FY	2.2:1	02:01	02:01	02:01	2.0:01	3.0:01	3.0:01
Increase the municipal reserves by at least 10% per annum from the previous year's actual balance annually (30 June)	Cost coverage (Available cash + investments/ monthly fixed operating expenditure)	200%	16%	4,7%	10%	10%	10%	-	-	-
Decrease employee related costs to 30 % of the Operational Budget by 30 June 2017	Employee related cost as a % of operational budget	34%	33%	32.0%	33%	33%	33%	32.0%	30.0%	30.0%
To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders/quotes submitted by 30 June 2017	% successful appeals against total number of awards made per period	0%	5%	8.25%	5%	5%	5%	5.0%	5.0%	5.0%
To maintain a ratio of at least 10% of the total operational budget on repairs and maintenance by 30 June 2017	% spending on repairs and maintenance	5%	6%	5.0%	6%	6%	6%	8.0%	10.0%	10.0%

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Prepare a SCOA compliant budget that is in line with the SCOA framework issued by National Treasury.	Draft of SCOA compliant budget	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	1	1	1
4. Municipal Institution and Transformation										
4.1 To provide an overarching framework for sustainable municipal performance improvement										
Implemenation of performance management policy at senior management and one level below that of the senior managers, including managers reporting to the accounting officer in terms of their functions by 30 June 2015	Performance evaluations, performance agreements, level of compliance	Not a target in this FY	Not a target in this FY	Not a target in this FY	100%	100%	100%	-	-	-
Review the integrated performance management policy by 31 May 2015	Reviewed policy. Minutes of council meeting where approved	Not a target in this FY	Not a target in this FY	80.0%	1	1	1	1	1	1
Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter	No of reports submitted to the mayor	Not a target in this FY	Not a target in this FY	4	4	4	4	4	4	4
Complete individual performance management to all levels of staff by 30 June 2017	% progress in establishing PMS to all levels of staff	Not a target in this FY	Not a target in this FY	15.0%	60%	60%	60%	75%	100%	100%
Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager	Number of assessments conducted	Not a target in this FY	Not a target in this FY	2	2	2	2	2	2	2
Conduct bi-annual performance assessments of middle management (up to level 6) by 30 June	Number of assessments conducted	Not a target in this FY	Not a target in this FY	2	2	2	2	2	2	2
4.2 To provide a framework for Municipal Transformation and Institutional Development										
Compile an approved Human Resource Management Plan with specific reference to staffing (attraction/retention), HRA, HRM and HRD by 30 June 2017	% progress in preparing HRM Plan	Not a target in this FY	100%	60.0%	100%	100%	100%	100.0%	100.0%	100.0%
Ensure that all levels of personnel on the organogram of the SPM are 100% representative according to the Employment Equity Plan of the Municipality as well as the most recent Provincial EAP Profiles by 30 June 2017	% compliance	100%	100%	70.0%	87%	87%	87%	100.0%	100.0%	100.0%
Compile and approve a "top 10" risk register by 30 June 2015	Approved risk register	Not a target in this FY	Not a target in this FY	Not a target in this FY	1	1	1	-	-	-
5. Good Governance and Public Participation										
5.1 Ensure an Unqualified Audit Report										
Ensure an updated and interactive web site linked to other spheres of Government on a continuous basis	% compliant to relevant legislation	Not a target in this FY	Not a target in this FY	100%	100%	100%	100%	100%	100%	100%
Review service delivery mechanisms and improve turnaround time by conducting quarterly risk assessments	Number of risk assessments conducted	Not a target in this FY	Not a target in this FY	4	Not a target in this FY	Not a target in this FY	Not a target in this FY	4	4	4

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Submission of an annual report on risk management maturity level of SPM to NT by 30 June each year	Maturity report submitted	Not a target in this FY	Not a target in this FY	1	1	1	1	1	1	1
Achieve an unqualified audit opinion from the 2014/15 financial statements	Audit opinion	Qualified	Qualified	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Clean	Clean
5.2 Enhance the Public Profile, Reputation and Positioning of SPM										
Establish effective communication channels and feedback mechanisms through the provision of a well managed municipal website as well as monthly municipal newsletters.	Municipal website and number of newsletters published	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	12	12	12
5.3 To continuously assess internal control environment by conducting internal audits across various functions of the municipality										
Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	10	10	10
5.3 To ensure that the municipality provides basic services to the community in a cost effective manner										
Adoption of the back to basics to inform service delivery strategy of the municipality by 30 June 2017.	Back to Basics strategy adopted	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	1	1	1
5.4 To ensure that customers have a platform to express their level of satisfaction with the services of the municipality as well as their experiences whilst interacting with the staff										
Conduct at least 5 community surveys on service delivery related experiences	Number of community surveys conducted	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	5	5	5

7. Overview of budget related policies

7.1. Reviewed policies

All policies have been reviewed and the following budget-related policies that has been reviewed and changed have been included in Section 6 and shall be adopted with the Budget.

(1) Property Rates Policy
(2) Financial Management and Revenue Enhancement Strategy
(3) Long Term Financial Planning (new policy)

8. Overview of Budget Assumptions 2015/16 MTREF

In terms of the Local Government Systems Act, section 26 prescribes the core components of the Integrated Development Plan, and section 26 (h) requires the inclusion of a financial management plan which should include a budget projection for at least the next three years. The financial plan is expected to determine the financial affordability and sustainability levels of the municipality over the medium term.

On the other hand, the Municipal Budget Reporting Regulations requires that the Accounting Officer must ensure that the budget related policies are prepared and submitted to Council. One of the policies referred to in the regulations is the Municipality's Long Term Financial Plan which is aimed at ensuring that all long term financial planning of the municipality is based on a structured and consistent methodology thus ensuring sustainability and affordability of municipal services.

For any budget, it is important that the municipality has an appropriate funding mix for operational and capital expenditure budgets thus eliminating future risks of inadequate funding of the Integrated Development Plan and other functions and responsibilities of the municipality.

8.1 Long term financial management approach

The IDP cycle of the municipality enters its fourth year in 2015/16 financial year, the last year being 2016/17. As such it is compulsory that the municipality assesses its financial capacity alongside the development objectives for the next generation of IDP, which will cover the period 2017/18 to 2021/2022.

The approach that had been adopted to perform this is presented below:

- Based on the historical financial statements, assessment will be done on the financial performance of the municipality and determine income and expenditure patterns
- Regional economy and demographics will be utilised to determine the municipality's future revenue and capital investment capabilities
- An asset register analysis will be performed to determine the asset replacement costs and repairs and maintenance expenditure requirements
- New capital formation requirements will be determined

To date, the status quo of the financial status of the municipality has been presented as phase one in the process of developing the 10 year Long-term Financial Plan

8.2 Economic outlook

South Africa is a global market player and as such the economic outlook is affected by the domestic and international indicators/projections and performances. There are serious domestic issues such as service delivery protests, the e-tolls, increase in government taxes, triple challenges of unemployment, poverty and negativity, slower economic growth and resource constrains to mention but a few. On the international front, the financial crisis, rand-dollar exchange, commodity and other currencies, resource prices and global demand for input resources and the plummeted crude oil prices, with an imminent rise since the first quarter of this year still poses a risk.

Last year, the Consumer Price Index was revised to include a larger weighting to food costs. The inflation is expected to remain within the SARB target range of between 3% and 6%. In terms of National Treasury's circular 75, the CPI forecast for the next three years are expected to remain in the upper limit due to petrol, energy and food costs. The graph below depicts the CPI for the past years and projections the future as per the BER projections.

At its last meeting in March 2015, the Monetary Policy Committee decided not to adjust the interest rate, thus the repo-rate remained constant at 5.5%. The lending rate remained unchanged at 9.25%

The municipality had since focused on infrastructure led growth and development, all efforts in the past financial years focused mainly in achieving this increase electricity availability increase in sewerage treatment worker capacity, minimisation of non-revenue water and upgrade of existing entrance roads. These projects are coming to fruition.

A shift is expected to take place to move the taking up of available capacity for services, reticulation and internal services, security of land tenure and most of all, attract investment into the City for job creation purposes and increasing the GDP of the City and its contribution nationally. The municipality's service delivery agenda, growth and development strategy is deemed to be in line with the NDP as the emphasis is on in-depth results driven processes.

In his speech, Minister of Finance Honourable N Nene highlighted the following:

- Sluggish global economic growth
- Shift in commodity prices (crude oil, low prices to benefits)
- Negative mining exports
- Security and reliability of energy supply
- Application of ESKOM to further increase its approved tariffs to 25.3% for bulk effective from 1 April 2015

As such, economic growth is projected at 2% for 2015, rising up to 3% by 2017. Consumer price inflation was at its peak in June 2014, and subsequently declined to 4.4% in January 2015, and the projected average for 2015 is 4.3%. This is anticipated to lay the foundation for economic growth.

The South African Economy, though constrained, there are considerable strengths as noted by the Minister, such as –

- Interest rates that remained moderate which are a reflection of credibility of fiscal and monetary policy and a stable inflation outlook.
- Exchange rate that depreciated by 11% against US Dollar, contributing to our trade competitiveness
- Openness of capital market to foreign investors contributing to foreign direct investment.

It became compulsory to the Minister to review the personal income taxes, and the increases in the taxes, especially in the last bracket, from 40% to 41%, this will impact on net income which the municipality depends for payment of municipal services and this may adversely affect the affordability and collection rate.

8.3 National and Provincial Government Influences

The Local Government Budgets and Expenditure Review published by National Treasury highlighted the following:

- Limited focus on economic development
- Inadequate spending on repairs and maintenance
- Prevalence of non-priority spending
- Out-dated spatial plans
- Poor quality of IDP's
- Unfunded budgets
- Poor revenue management practices
- Badly managed procurement processes
- Poor asset management plans/or absence thereof
- Delays in approving development plans
- Under-spending of capital projects
- Deteriorating levels of service delivery

However, during the mid-term visit that took place on the 2nd and 3rd of February 2015, the following acknowledgements were made by National Treasury as per their ***Draft Assessment Report***;

- Improved level of preparedness for the visit
- The status of the audit report and the improvement thereon though the opinion remained "Qualified Audit Opinion"
- Improvement on the financial results
- Basis of revenue estimation were commended due to lower variances between estimates and actuals
- Slow capital expenditure that might lead to under-spending at year end
- Improved cash flow position
- Mastering of compliance reporting requirements
- Strong cash flow position of the municipality
- Stability of the organization

The major influence of the National Government on the municipality's budget was the substantial reduction of the conditional grants. In line with the National objectives of job

creation, quality and sustainable service delivery and social responsibility, the municipality has reflected these in its key performance areas and indicators.

8.4 Financial modelling

The outcome of the MTREF modelling includes the strategic focus areas as envisaged in the IDP Review 2015/16 as well as the economic and financial data obtained locally and nationally. The assumptions on which the MTREF was compiled based on include the following;

- Increase year on year maintenance budget to ensure certainty of the availability of services
- Higher than inflation increases in personnel costs
- Inflation based adjustment of general expenses (administration costs, goods and services)
- Augmentation of EPWP by Municipality Job Creation Project with the special focus on cleaning the city's environment
- National and Provincial Allocation as per the DoRA and Northern Cape Provincial gazette

8.5 Expenditure Analysis

General inflation outlook and its impact on municipal activities

The general CPI as projected by National Treasury as per Circular 75 projected the following rate of CPIX for the next three years is 5.8% for 2015/16, 5.5% for 2016/17 and 5.3% for 2017/18. These levels are within the South African Reserve Bank (SARB) inflation targeting range of between 3% and 6%. As depicted in Table 27, the average tariff increases (Municipal CPI) for the next three years is projected at 9% for 2015/16, 7.19% for 2016/17 and 6.84% for 2017/18.

Tariffs	2014/15	2015/16	2016/17	2017/18
CPI Projections	**6.20%**	**5.80%**	**5.50%**	**5.30%**
Rates	6.99%	6.50%	8.95%	8.59%
Sewer and sanitation	6.50%	6.50%	5.77%	5.86%
Cleansing/Refuse collection	5.90%	6.50%	6.30%	5.21%
Water	14.99%	6.50%	6.13%	6.09%
Electricity	6.72%	12.20%	8.80%	8.45%
Average tariff increases/Municipal CPI	**8.13%**	**9.00%**	**7.19%**	**6.84%**

8.6 <u>Collection rate per service</u>

The municipality's projected revenue collection rates are based on realistic and sustainable trends. There is an expected improvement in the collection rate for electricity due to the roll out of prepaid electricity devices to residential customers as well as the on-going project of meter replacement. The municipality has embarked on meter audit for all large power users which is also expected to make material contributions on billing and revenue recovered.

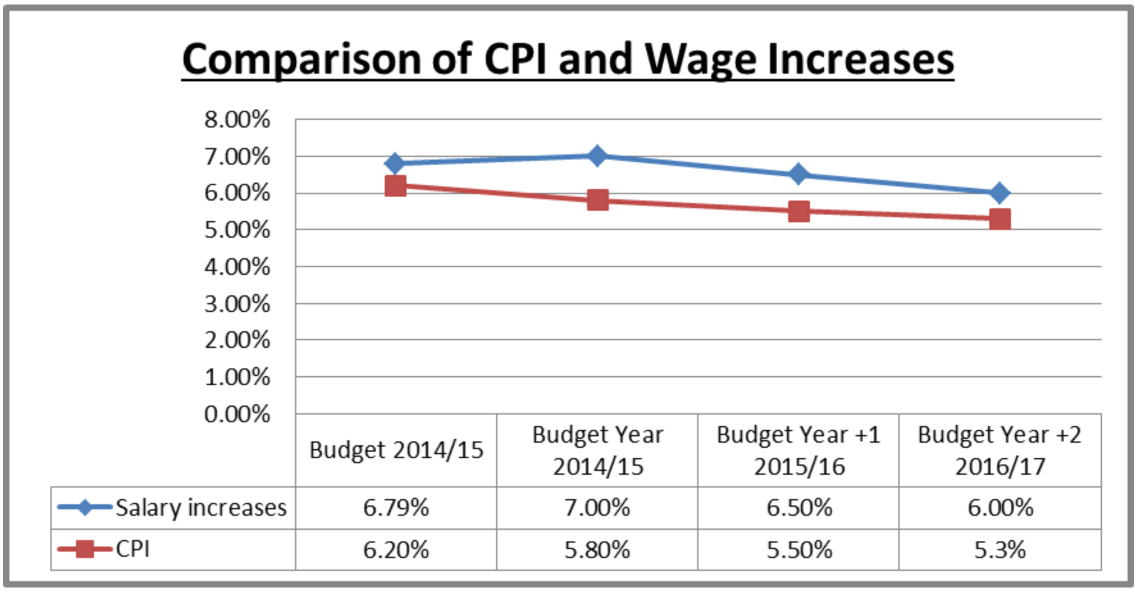
The municipality is continuously integrating the electricity prepayment system with the billing system to ensure that customers do not go undetected in the non-payment of other

municipal services. We are moving one residence/property, one account. This move serve as better as we struggled with the collections on landlord and tenant accounts.

The budget proposes R161 million contributions to bad debts and is based on the average collection rate on all services (excluding housing rental) of 89%.

8.7 Salary increases

A three year salary and wage collective agreement that was entered into in 2012 shall now expire on the 30th of June 2015.



	Budget 2014/15	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Salary increases	6.79%	7.00%	6.50%	6.00%
CPI	6.20%	5.80%	5.50%	5.3%

Despite the demands as submitted by trade unions to the SALGBC, submission was made as follows with regards to the proposed counter offer to be made to the unions:

- That consideration be made to collection rate;
- Consideration be made to urgent, emergency needs and other developmental priorities of the municipality;
- Code of Conduct of Councillors and municipal employees been implemented (no employee or councillor is expected to be in arrears for more than 90 days, otherwise a stop-order be instructed to deduct from such an individual.

The cost implications of the new organogram are yet to be estimated. For now the following ratio's must be maintained:

- Employee costs = 33% of total OPEX and 23% as a % of total revenue
- Supervisory controls to ensure productivity and performance
- Performance management
- Effective disciplinary procedures

8.8 Ensuring maintenance of existing assets

The mid-term budget review and adjustment budget indicated an accelerated expenditure on maintenance. National Treasury's circulars 66 refers to Circular's 54, 55 and 58 which are all stressing the importance of securing he health of municipality's asset base by increasing

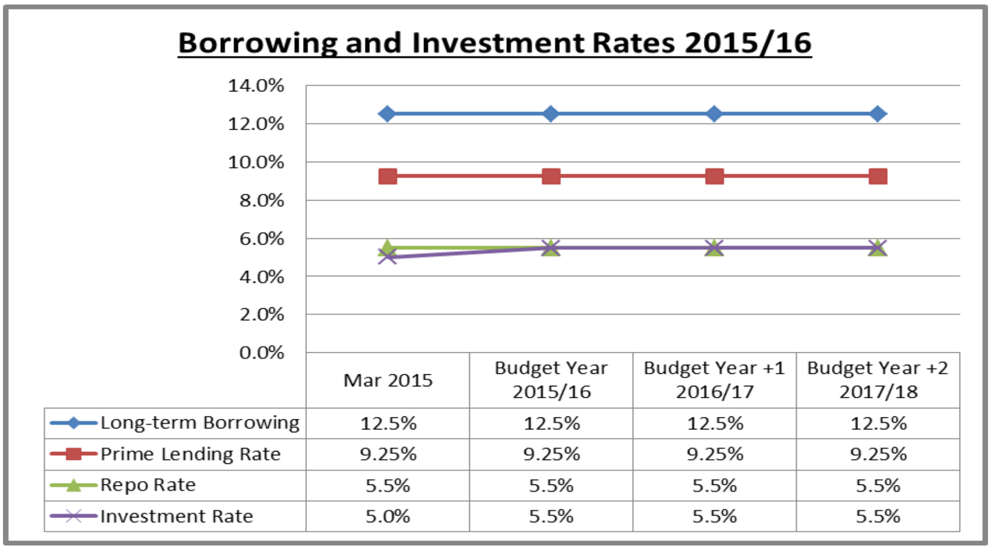
spending on repairs and maintenance. NT's Circular 58 places emphasis on increasing allocations to repairs and maintenance as well as the renewal of existing assets.

We are gradually increasing the percentage year on year growth of maintenance budget as well as the targeted percentage of maintenance budget against operating budget. The table below depicts the year on year growth of maintenance budget. The decrease from 2014/15 to 2015/16 is as a result of a correction on the deficit costing account and credit for work done. For the future with the implementation of SCOA, we are planning to include labour costs as part of the maintenance costs.

Description	2011/12	2012/13	2013/14		Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework							
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	% Growth	Original Budget	Adjusted Budget	% Growth	Budget Year 2015/16	% Growth Original 2014/15	% Growth Adjusted 2014/15	Budget Year +1 2016/17	% Growth	Budget Year +2 2017/18	% Growth	% Growth over 5 years
Expenditure By Type															
Other materials	68 422	68 982	64 257	-6.9%	87 135	90 735	4.1%	81 503	-6.5%	-10.2%	88 481	8.6%	94 963	7.3%	47.8%

8.9 Interest rates

Finance costs on long term borrowing are fixed for the loan repayment term at 12.5% whilst the investment interest rates remained constant at 5.5%. The average investment rate is linked to the Repo rate for call deposits and is closer to 5.0% and while term deposits is closer to 6.0%.



8.10 Depreciation

Depreciation is calculated after having taken into account the asset class and its condition. The municipality has adopted the National Treasury Guidelines on asset lifespan within the ambits of Generally Recognised Accounting Practices standards depending on the nature of the asset. An annual capital expenditure rate of 100% was assumed. Depreciation on all classes is calculated on a straight line method for the duration of the lifespan of the asset.

Assets under construction or work in progress (WIP) are not depreciated until construction is completed and construction costs capitalised. Assets are depreciated once the completion certificate is signed.

8.11 Revenue analysis – a three year projection

8.11.1 Services demand growth

The current economic conditions have restricted any material service demand growth projections. At a very conservative level, an annual growth in service demand of 1% has been assumed as indicated in Table 28 below:

Revenue By Source	2015/16 Tariff Increase	% Growth Original 2014/15	% Growth Adjusted 2014/15	2016/17 Tariff Increase	% Growth	2017/18 Tariff Increase	% Growth
Property rates	6.50%	6.50%	6.50%	8.95%	8.95%	8.59%	8.59%
Service charges - sanitation revenue	6.50%	2.51%	9.37%	5.77%	5.77%	5.86%	5.86%
Service charges - refuse revenue	6.50%	7.98%	6.86%	6.30%	6.30%	5.21%	5.21%
Service charges - water revenue	6.50%	7.02%	14.54%	6.13%	6.13%	6.09%	6.09%
Service charges - electricity revenue	12.20%	2.51%	9.37%	8.80%	8.80%	8.45%	8.45%

8.11.2 Property rates and taxes

A one percentage growth on property valuation roll 2015/16 has been projected. The municipality has finalised and published the General Valuation Roll 2015 with the closing date of 3 April 2015. This General Valuation Roll shall be effective from 1 July 2015 for 4 years. However, supplementary valuations are expected to be published as per normal procedures once new information is received. Due to uncertainties associated with this, as the valuations are subject to objections from rate payers and future growth of properties and development/s. The determination of ratios can still create a big shift in tariffs from government and other categories.

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
							Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates *(rate in the Rand)*	1								
Residential properties		Residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used		Agricultural farms	0,001245	0,001495	0,001629	0,001743	0,001863	0.0020	0.0022
Farm properties - not used		Agricultural business	0,002075	0,002492	0,002715	0,002905	0,002329	0.0025	0.0028
Industrial properties		Industrial	0,035280	0,042370	0,046152	0,047634	0,032602	0.0355	0.0386
Business and commercial properties		Business/Residential	0,024903	0,029909	0,032578	0,034854	0,027479	0.0299	0.0325
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties		State / Public schools	0,061429	0,073774	0,080359	0,087135	0,06893	0.0751	0.0816
Municipal properties		Municipal residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Public service infrastructure		Public services infrastr.	0,00	0,00	0,00	0,00	-	-	-
Privately owned towns serviced by the									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		Residential (0-6kl)	-	3,80	4,14	4,76	5,07	5,38	5,71
Water usage - Block 1 (c/kl)		Residential (7-20kl)	14,70	16,16	17,60	20,24	21,55	22,87	24,27
Water usage - Block 2 (c/kl)		Residential (21-40kl)	16,55	18,19	19,81	22,78	24,26	25,74	27,31
Water usage - Block 3 (c/kl)		Residential (41-60kl)	17,50	19,23	20,94	24,08	25,65	27,22	28,88
Water usage - Block 4 (c/kl)		Residential (more than 60kl)	18,70	20,55	22,38	25,74	27,41	29,09	30,86
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			99,55	109,50	116,65	124,23	132,31	139,94	148,14
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid*(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		Block 1 (0 - 50 Kwh)			1.1177	1,1928	1,3383	1,4561	1,5791
Meter - IBT Block 2 (c/kwh)		Block 2 (51 - 350 Kwh)			1.5321	1,6351	1,8345	1,9959	2,1646
Meter - IBT Block 3 (c/kwh)		Block 3 (351 - 600 Kwh)			1.6577	1,7691	1,9849	2,1596	2,3420
Meter - IBT Block 4 (c/kwh)		Block 4 (> 600 Kwh)			1.7582	1,8764	2,1052	2,2905	2,4840
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		Block 1 (0 - 50 Kwh)			1.1177	1,1928	1,3383	1,4561	1,5791
Prepaid - IBT Block 2 (c/kwh)		Block 2 (51 - 350 Kwh)			1.5321	1,6351	1,8345	1,9959	2,1646
Prepaid - IBT Block 3 (c/kwh)		Block 3 (351 - 600 Kwh)			1.6577	1,7691	1,9849	2,1596	2,3420
Prepaid - IBT Block 4 (c/kwh)		Block 4 (> 600 Kwh)			1.7582	1,8764	2,1052	2,2905	2,4840
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee			72,50	78,30	83,70	88,64	94,40	100,35	105,58
80l bin - once a week									
250l bin - once a week									

8.11.3 Water and sanitation

A service growth of 1% was applied to water and sanitation over the 2015/16 MTREF. This is based on average growth over the past years. As reflected in the table above, the growth in revenue more the percentage increases is associated with the benefits of reducing non-revenue water and the billing of informal settlements for free basic water.

Whilst the non-revenue water minimisation projects are continuing with the implementation, the municipality still suffers high water losses of which the projections indicate a reduction over the 2015/16 MTREF as a result of various projects aimed at non-revenue water minimisation such as pressure management in the water reticulation network.

National Treasury's Circular 66 stipulates that municipalities must review the level and structure of water and sanitation tariffs. If the tariffs are not cost reflective, the municipality should develop a pricing strategy to phase in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. It was further required that an appropriate tariff structure that is cots reflective should be in place by 1 July 2015.

It has been an unfortunate situation that since the issuance of the circular, there was no suspicion that the bulk water costs are underfunded as a result of technical fault of the old meter that has since been replaced. Therefore the corrected tariff that is cost reflective has to be in place from 1 July 2015 as alluded to above.

8.11.4 Electricity

Electricity has projected no service growth over the MTREF due to the unknown impact of energy saving plans and increasing tariffs which lead to reduced consumption. However, lessons learnt from the electricity meter replacement projects yielded positive results. It is planned that in the 2015/16 financial year, a further 5 000 Plessey meters/ and conventional meters shall be replace for residential customers.

The municipality distributes and sell electricity to all its customers with the exception of Ritchie which is served by Eskom through a service level agreement. Residential customers and some small businesses / commercial businesses are served through prepaid and conventional electricity metering. The municipality encourages its citizens to convert from conventional to prepaid electricity metering.

To date, there has been an announcement made by National Electricity Regulator South Africa (NERSA) with regards to bulk tariff increases for 2014/15. Our budget assumptions for bulk and sales is based on the approval as per the 2013/14 MYPD announcement which approved tariff increases as follows:

An application has however been submitted to NERSA for the proposed electricity price increases for the 2015/16 financial year and is summarised hereunder:

The municipality revenue increase requirement for the next financial year is 12.20% and currently 6.95% and 7.01% for the two outer years. The higher than CPI increase is attributed to the higher than CPI increase of bulk and employee costs and other cost drivers affected by external factors such as oil price increases etc.

The finance charges associated with electricity for the 2015/16 financial year are stabilising as a result of no further new loans budgeted for.

The proposed tariffs are therefore subject to change to take into account the NERSA's price determination.

8.11.5 Refuse collection

A demand for refuse collection is projected to be 1% in the 2015/16 financial year and 1% each year thereafter. The 1% projection is based on the plans of the municipality to extend the service to more than 9 000 households in the recently formalised areas such as Lerato Park etc. these customers shall likely qualify as Indigent and shall benefit from free basic refuse collection service which is fully subsidised by the municipality.

In terms of Circular 66 referred to above, it is further specific about the refuse removal tariffs and that municipalities are required to have a cost reflective tariff of refuse removal (solid waste) by 2015. A detailed review of cost drivers for refuse removal shall be initiated as soon as possible during the budget process 2015/16.

A landfill site disposal tariff is soon to be introduced as soon as the necessary infrastructure is put in place for this purpose. For now, the municipality has invested over a million rand in the past financial year on the landfill site to restore the site to a state as required by law.

However, to fully cover the costs of service provision, the revenue increase requirement from refuse removal service charges are 5.90%, 4.75% and 4.57% for 2014/15, 2015/16 and 2016/17 financial years respectively.

8.11.6 Major tariffs and charges

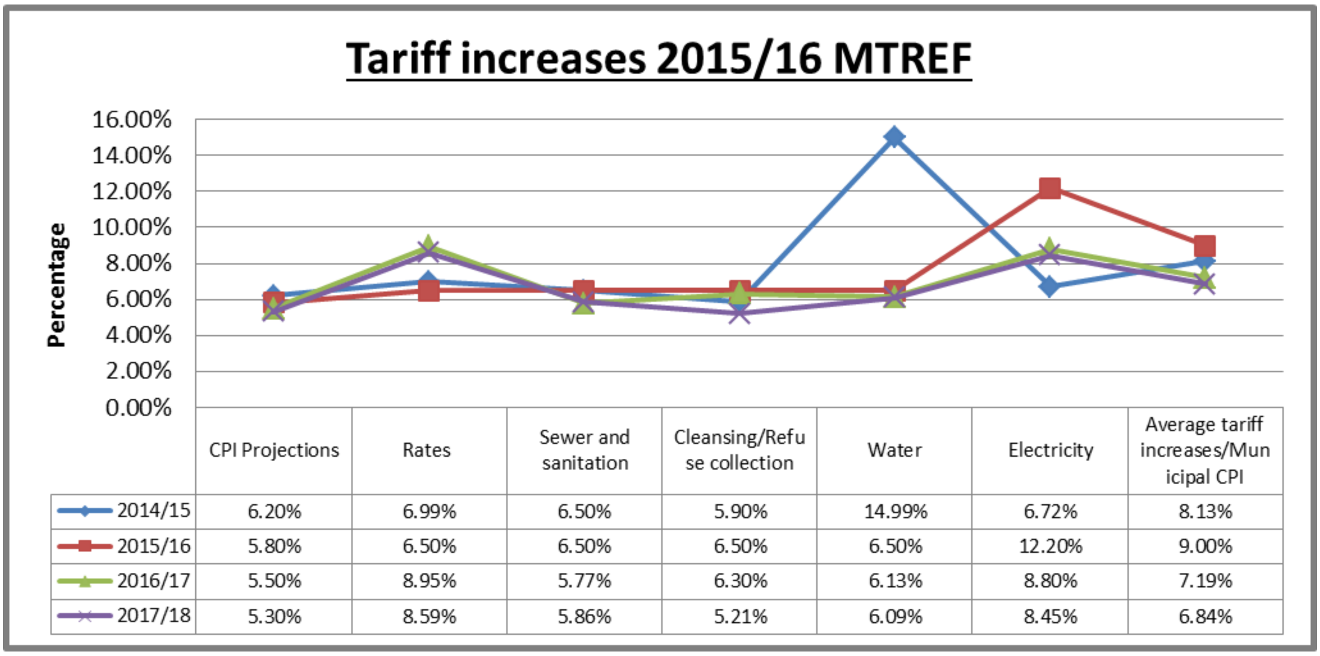
The negative impact of the current economic conditions coupled with the fast depreciating South African rand (ZAR) currency against international currencies, demand for new and upgraded infrastructure, higher than inflation increases in staff costs and the implementation task grading system, has compelled higher than CPI levels unavoidable.

National Treasury's circular 66 encourages municipalities to keep increases in rates, tariffs and other charges at the levels that reflect an appropriate balance between the interests of the poor households and other customers thus ensuring sustainability of the municipality. A justification of any increase above the SARB inflation target band is required.

Table 29 below indicates proposed tariff increases for major municipal services.

Tariffs	**2014/15**	**2015/16**	**2016/17**	**2017/18**
CPI Projections	**6.20%**	**5.80%**	**5.50%**	**5.30%**
Rates	6.99%	6.50%	8.95%	8.59%
Sewer and sanitation	6.50%	6.50%	5.77%	5.86%
Cleansing/Refuse collection	5.90%	6.50%	6.30%	5.21%
Water	14.99%	6.50%	6.13%	6.09%
Electricity	6.72%	12.20%	8.80%	8.45%
Average tariff increases/Municipal CPI	**8.13%**	**9.00%**	**7.19%**	**6.84%**

The graphs below depicts tariff increases over the 2015/16 MTREF and the base year 2014/15.



	CPI Projections	Rates	Sewer and sanitation	Cleansing/Refuse collection	Water	Electricity	Average tariff increases/Municipal CPI
2014/15	6.20%	6.99%	6.50%	5.90%	14.99%	6.72%	8.13%
2015/16	5.80%	6.50%	6.50%	6.50%	6.50%	12.20%	9.00%
2016/17	5.50%	8.95%	5.77%	6.30%	6.13%	8.80%	7.19%
2017/18	5.30%	8.59%	5.86%	5.21%	6.09%	8.45%	6.84%

8.11.7 Property rates

The rates revenue is set to increase by 6.5% in the 2015/16 financial year and 8.95% in the 2016/17 financial year and 8.59% in 2017/18.

Kimberley's property sector has been remarkably resilient against the global and national economic factors putting pressure on the bigger centres. Whilst there is a marked slowdown in the value appreciation of property, there is still real growth in the residential and business property sectors.

It is anticipated that the property values for the General Valuation 2015 would increase between 5 and 15 % in general. The middle income residential sectors are expected to enjoy the bulk of this growth with the number of transactions and the corresponding values of these for higher income residential areas are relatively subdued. Banks are finding greater security and value in the middle income residential areas and are therefore very active and prepared to expose themselves to 100 % of the value of the purchase prices.

The commercial sector is divided with limited increase in value of Grade C and below office space and retail accommodation fighting to stay competitive. The retail sector has been affected by the embattled national economy with families having in general less disposable income. Rentals have had to be adjusted accordingly to assist the shop owners. Grade C office space is characterised by old lease agreements with rentals which are no longer market related and need to be reviewed. However, the possible increase in these rentals should also be accompanied with the upgrading of the office space which is very expensive when dealing with older buildings.

Grade A and B office accommodation is enjoying premium rentals with secure tenants. An additional 15 000 square meters is expected to be made available in the next two to three

years with government taking up much of the existing Grade A and B accommodation. We have seen robust activity in this sector with some high value transactions taking place.

We are expecting minimal growth in the Industrial property sector with little demand to satisfy the substantial supply. This has put weak competition in the sector to achieve better rentals. Kimberley lacks a sufficient primary manufacturing base and its old industrial areas are suffering with high vacancy rates and low rentals.

The agricultural sector is being challenged with erratic weather affecting the productivity of the farming activities. Transactions in this sector are subdued but there is still value to be had. A disturbing trend of larger corporations buying out the small family farm owner is noticed nationally, however in Kimberley there is still a strong family farmer component.

As a result, our property rates will be adjusted, though disproportionately, to accommodate the increases in the property values for the G.V. 2015. A challenge remains though in getting the contribution of property taxes per sector to a more sustainable base. Our reliance on the residential, business and state sectors of property taxation is far in excess of the other sectors and therefor the burden to these requires some relief through industrial/investment growth and development measures to widen our tax base and spread the burden more evenly. We have proposed an increase of 6.99 % on average for our property rates for the upcoming financial year and are striving to maintain a similar increase or lower in the medium term.

8.11.8 Housing Rental Stock

The tariffs for housing rental stock are currently mixed where the market related rental tariff was introduced and for certain customers, due to their circumstances a special tariff was recommended by the Housing Committee and approved by Council in the form of minutes.

There is an urgent need to review the rental amounts for municipal services and the review of some Council decisions taken years ago needs to be made to ensure self sufficiency of the housing function in the near future.

8.11.9 Equitable share

The equitable share formula has been reviewed by National Treasury and its stakeholders in conjunction with South African Local Government Association with the assistance from the Financial and Fiscal Commission as well as Statistics South Africa (StatsSA). The new formula came into effect in the 2013/14 MTREF.

The formula provides for subsidisation of provisioning of free basic services of water, electricity, and sanitation and refuse removal for every poor household. A poor household is defined in terms of the Indigent Household Policy. The equitable share also provides for the institutional costs of the municipality, a community services component which provides funding towards the delivery of core municipal services that are not included under basic services. To ensure that the funds for institutional costs and non-trading services are targeted to the preciously disadvantaged communities, the formula provides for a revenue adjustment factor reflecting municipalities ability to generate own revenue.

The formula was also based on the Census 2011 outcomes to reflect population estimates and projected increase in the cost for services such as water and electricity.

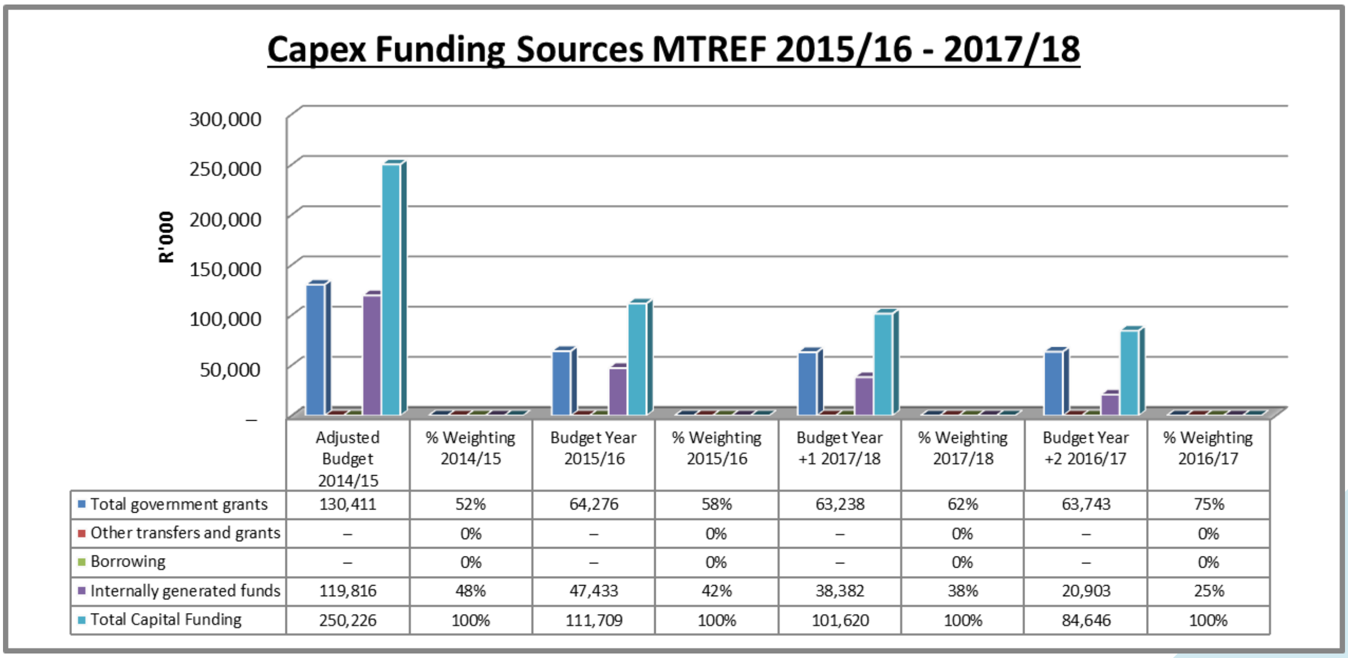
The equitable share provision included in the budget is based on the 2015 Division of Revenue Bill (DoRB). The following amounts have been allocated to Sol Plaatje Local Municipality as per the 2015 DoRB.

Description	Adjusted Budget 2014/15 R'000	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Local Government Equitable Share	145,440	143,335	140,315	142,006

8.11.10 Funding Capital Budget

The total capital budget included for the next three years is funded as follows as per Table 30.

Funding sources of capex	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Funded by:			
National Government	64 276	63 238	63 743
Provincial Government			
District Municipality			
Other transfers and grants			
Transfers recognised - capital	**64 276**	**63 238**	**63 743**
Public contributions & donations			
Borrowing			
Internally generated funds	47 433	38 382	20 903
Total Capital Funding	**111 709**	**101 620**	**84 646**



Grants received from National and Provincial Government remains a significant source of funding for the CAPEX over the 2015/16 MTREF. No external borrowings are planned for the MTREF thus far.

8.11.11 Borrowing and credit rating

The municipality borrows funds in line with the Long Term borrowing policy and Chapter 6 of MFMA and is influenced by the capital financing requirements. The municipality requires a credit rating that is demonstrating ability to meet financial obligations as they fall due. Potential lenders consider the rating in assessing the credit risk and this subsequently affects the financing costs.

Since the 2013/14 MTREF, Moody's Rating Agency rated the municipality as Baa.3 which was a downgrade from Aaa.3 for the past three years. The downgrade was purely as a result of the downgrade of government for various reasons.

9. Overview of budget funding

Funding the activities of the municipality is key in every budget cycle. Local authorities are established with a specific mandate in terms of the Constitution of the Republic of South Africa as amended. The demand for municipal services is un-ending and it is increasing.

Recently, we have been working hard on human settlements matters which are an indication of the need for housing which will immediately translate to more township establishment, bulk infrastructure and provision for water and sanitation, refuse removal and water and of cause billing implications.

The municipality's budget is funded mainly from own revenue sources and to an extent grants and subsidies from National, Provincial and District Municipality, and long term borrowing to fund capital projects.

Table 31 below presents the Summary of Revenues financing activities for the 2015/16 MTREF:

Budgeted Standard Item	Adjustment Budget 2014/15		2015/16		2016/17		2017/18	
	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting	R'000	% Weighting
Own Generated Funds	1 506 054	78.19%	1 582 434	85.03%	1 707 650	86.74%	1 835 093	88.18%
Transfer recognised - Operational	169 842	8.82%	166 787	8.96%	159 437	8.10%	161 379	7.75%
Total Operational Revenue Budget	**1 675 896**	**87.01%**	**1 749 221**	**94.00%**	**1 867 087**	**94.84%**	**1 996 471**	**95.93%**
Transfer recognised - Capital	130 411	6.77%	64 276	3.45%	63 238	3.21%	63 743	3.06%
Borrowing	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Internally generated funds	119 816	6.22%	47 433	2.55%	38 382	1.95%	20 903	1.00%
Total Capital Budget	**250 226**	**12.99%**	**111 709**	**6.00%**	**101 620**	**5.16%**	**84 646**	**4.07%**
Total Revenue and Financing	**1 926 122**	**100.00%**	**1 860 929**	**100.00%**	**1 968 707**	**100.00%**	**2 081 117**	**100.00%**
Total Grants & Subsidies	**300 253**	**15.59%**	**231 063**	**12.42%**	**222 676**	**11.31%**	**225 122**	**10.82%**

The table above indicates that the total budget of the municipality is 85.03% funded by own revenue whilst 8.96% of the funds were from operational grants, 3.45% capital grants and nil% from long term borrowings in 2015/16. For the outer years, reference is made to the table above.

9.1. Own Revenue Sources

As seen above, the major source of funds for the municipality is funds generated internally from raising service charges as well as the property rates. Table 32 below presents detailed revenue by source projections for the period 2015/16 to 2017/18.

Description	2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	**Budget Year 2015/16**	**Budget Year +1 2016/17**	**Budget Year +2 2017/18**
Revenue By Source			
Property rates	423 808	461 721	501 361
Property rates - penalties & collection charges			
Service charges - electricity revenue	651 586	708 906	768 813
Service charges - water revenue	245 333	260 367	276 234
Service charges - sanitation revenue	72 545	76 730	81 230
Service charges - refuse revenue	50 428	53 607	56 397
Service charges - other			
Rental of facilities and equipment	19 182	20 370	21 520
Interest earned - external investments	16 000	20 000	22 000
Interest earned - outstanding debtors	50 000	49 000	47 000
Dividends received	–	–	–
Fines	10 419	11 037	11 637
Licences and permits	2 995	3 176	3 352
Agency services	5 800	6 298	6 844
Transfers recognised - operational	166 787	159 437	161 379
Other revenue	34 336	36 438	38 704
Gains on disposal of PPE	–	–	–
Total Revenue (excluding capital transfers and contributions)	**1 749 221**	**1 867 087**	**1 996 471**

See Table A4 Budgeted Financial Performance (revenue and expenditure) – Annual Budget Schedules

Revenue from electricity remains the biggest source of income followed by rates and water charges. Based on the DoRB 2015, equitable share amounting to R143 million has been allocated and R140 million for 2016/17 and R142 million is gazetted for 2017/18. A declining trend in the equitable share allocation is evident which might imply review of provision of basic services as well as other expenditure funded by equitable in the near future.

Description (R thousand)	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
Revenue By Source	Adjusted Budget	Weighting %	Budget Year 2015/16	Weighting %	Budget Year +1 2016/17	Weighting %	Budget Year +2 2017/18	Weighting %
Property rates	397 946	24%	423 808	24%	461 721	25%	501 361	25%
Service charges - electricity revenue	568 853	34%	651 586	37%	708 906	38%	768 813	39%
Service charges - water revenue	224 315	13%	245 333	14%	260 367	14%	276 234	14%
Service charges - sanitation revenue	67 887	4%	72 545	4%	76 730	4%	81 230	4%
Service charges - refuse revenue	46 841	3%	50 428	3%	53 607	3%	56 397	3%
Rental of facilities and equipment	17 606	1%	19 182	1%	20 370	1%	21 520	1%
Interest earned - external investments	16 000	1%	16 000	1%	20 000	1%	22 000	1%
Interest earned - outstanding debtors	65 000	4%	50 000	3%	49 000	3%	47 000	2%
Fines	11 635	1%	10 419	1%	11 037	1%	11 637	1%
Licences and permits	2 672	0%	2 995	0%	3 176	0%	3 352	0%
Agency services	4 900	0%	5 800	0%	6 298	0%	6 844	0%
Transfers recognised - operational	169 842	10%	166 787	10%	159 437	9%	161 379	8%
Other revenue	82 399	5%	34 336	2%	36 438	2%	38 704	2%
Total Revenue (excluding capital transfers and contributions)	**1 675 896**	**100%**	**1 749 221**	**100%**	**1 867 087**	**100%**	**1 996 471**	**100%**

Table 33 above represents the weighting in percentages of each revenue source for 2015/16 MTREF.

Table 34 below presents the major parameters applied to the operating budget for the 2015/16 MTREF:

Description	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CPI	6%	5%	5%
COLLECTION RATES (Average)			
Property rates	89%	89%	89%
Refuse removal	89%	89%	89%
Sanitation	89%	89%	89%
Water	89%	89%	89%
Electricity	89%	89%	89%
REVENUE GROWTH			
Property rates	6%	9%	9%
Electricity	15%	9%	8%
Water	9%	6%	6%
Sanitation	7%	6%	6%
Refuse removal	8%	6%	5%
EXPENDITURE PARAMETERS			
Salary increases (Collective agreement)	7.0%	6.5%	6.0%
Notch increases provision	1%	1%	1%
Task implementation	2%	2%	2%
Bulk purchases	8%	10%	10%
General expenses	-14%	3%	6%
Repairs and maintenance	-10%	9%	7%
Interest paid	-14%	-4%	-6%
Interest on investments	0%	25%	10%

9.2. Investments

Indicated in the table below are the budgeted investments at various A+ banking institutions consisting of call deposits and term deposits ranging from 3 to 9 months with different dates of maturity. The budgeted investments are R262, 936 m for 2014/15 financial which was determined very conservatively. The investments as at 28 February was standing at R306 million.

NC091 Sol Plaatje - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		171 931	336 560	320 607	262 936	262 936	262 936	240 000	265 916	326 737
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	**171 931**	**336 560**	**320 607**	**262 936**	**262 936**	**262 936**	**240 000**	**265 916**	**326 737**
Consolidated total:		**171 931**	**336 560**	**320 607**	**262 936**	**262 936**	**262 936**	**240 000**	**265 916**	**326 737**

9.3. Borrowing

Borrowing is done in terms of chapter 6 of the MFMA and in line with the Municipality's approved borrowing policy. Long term loans shall be taken up when they are affordable and sustainable. Therefore the municipality does not intend to enter into a loan agreement in the 2015/16 financial year.

9.4. Funding measures

As per MFMA Circular 42, the MFMA through section 18 requires that the annual budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous' years, not committed for other purposes. The capital budget may be funded by cash-backed current year surpluses in the Financial Performance budget, including capital grants and other contributions, cash-backed accumulated funds from previous' years, not committed for other purposes and borrowing.

The credibility of annual budget means that it must be capable of implementation when approved. A credible budget must be consistent with the IDP and achievable in terms of service delivery and performance targets; revenue and expenditure projections must be realistic; and the implementation of the budget must improve the financial viability of the municipality.

The budget funding reconciliation is shown as Part 1 Financial Performance budget result (surplus/deficit) (Table 35)

Cash flow budget result as shown in Part 2 (Table 36)

Reconciling available cash and investments to determine the amount of reserves and accumulated surplus that is cash backed to ensure compliance with the MFMA section 18(1)(b) as illustrated in Part 3. (Table 37)

SOL PLAATJE MUNICIPALITY (NC091)				
Part 1 - Budgeting for Financial Performance				
Description	Ref	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		R'000	R'000	R'000
Revenue by Source (Table 1)				
Property rates	A	423 808	461 721	501 361
Service charges	A	1 019 893	1 099 610	1 182 674
Rental of facilities and equipment	B	19 182	20 370	21 520
Interest earned - external investments	D	16 000	20 000	22 000
Interest earned - outstanding debtors	D	50 000	49 000	47 000
Fines	B	10 419	11 037	11 637
Licenses and permits	B	8 795	9 474	10 197
Government grants & subsidies - ops		166 787	159 437	161 378
Government grants & subsidies - capital	E	64 276	63 238	63 743
Other income	B	34 336	36 438	38 704
Total Revenue By Source		**1 813 496**	**1 930 325**	**2 060 214**
Internal recoveries		62 295	65 605	69 515
Cross Subsidization		56 200	56 800	56 800
Total		**1 931 991**	**2 052 730**	**2 186 529**
Operating Expenditure by Type (Table 6)				
Employee related costs	C	597 254	635 056	672 423
Remuneration of Councilors		21 365	22 647	24 006
Bad debts	F	161 000	174 300	187 125
Collection costs		1 800	1 917	2 032
Depreciation		53 600	60 019	64 678
Repairs and maintenance		81 503	88 481	94 963
Interest external		29 790	28 514	26 780
Bulk purchases - Electricity		461 000	505 780	554 932
Bulk purchases - Water				
Grants and subsidies paid		55 050	58 300	61 495
General Expenditure		275 980	283 868	299 794
Total Operating Expenditure By Type		**1 738 342**	**1 858 882**	**1 988 228**
Internal Transfer		62 295	65 605	69 515
Cross Subsidization		56 200	56 800	56 800
Total		**1 856 837**	**1 981 287**	**2 114 543**
Operating Surplus/(Deficit)		**75 154**	**71 443**	**71 986**

SOL PLAATJE MUNICIPALITY (NC091)				
Part 2 - Budgeting for Cash Flow				
Description	Ref	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		R'000	R'000	R'000
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Cash receipts from ratepayers, government and other	A,B	1 384 912	1 504 688	1 637 096
Cash receipts from government - operating		166 787	159 437	161 378
Cash receipts from government and other - capital		64 276	63 238	63 743
Interest received	D	28 500	32 250	33 750
Receipts				
Cash paid to suppliers and employees	I	(1 478 952)	(1 584 049)	(1 697 645)
Finance charges		(29 790)	(28 514)	(26 780)
NET CASH FROM OPERATING ACTIVITIES		**135 733**	**147 050**	**171 542**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of property, plant and equipment		0	0	0
Increase in investment properties		0	0	0
(Increase)/decrease in non-current receivables		0	0	0
Receipts				
Purchase of property, plant and equipment	G	(111 708)	(101 620)	(84 646)
(Increase)/decrease in current assets		0	0	0
Increase in non-current investments		0	0	0
NET CASH FROM INVESTING ACTIVITIES		**(111 708)**	**(101 620)**	**(84 646)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
New loans raised	G	0	0	0
Increase in consumer deposits		1 652	1 800	1 744
Payments				
Repayment of borrowing	G	(10 878)	(8 205)	(8 243)
NET CASH FROM FINANCING ACTIVITIES		**(9 227)**	**(6 404)**	**(6 498)**
NET INCREASE/(DECREASE) IN CASH		14 798	39 026	80 398
Cash and cash equivalents at the beginning of the year		223 360	238 158	277 183
Cash and cash equivalents at the end of the year		238 158	277 183	357 581

SOL PLAATJE MUNICIPALITY (NC091)

Part 3 - Reconciliation of reserves and commitments backed by cash/investments				
Description	**Ref**	**Budget Year 2015/16 R'000**	**Budget Year +1 2016/17 R'000**	**Budget Year +2 2017/18 R'000**
Reserves to be backed by cash	H	101 635	29 435	31 180
Creditors unpaid at year end		212 566	231 697	249 075
Total commitments		**314 201**	**261 133**	**280 254**
Cash and cash equivalents at the end of the year		238 158	277 183	357 581
Long term investments		0	0	0
Cash and investments available		**238 158**	**277 183**	**357 581**

Explanation notes/references

A It is the billed/accrued amount and it is assumed that 90% will be collected (average at 89% including interest on debtors and billed)
B It is assumed that a 100% is received/collected
C Included is a provision for an average increase of 7%
D Interest received in the cash flow comprises of 25% of interest on debtors and 100% of investment interest
E All grants will be received and spent except for roll over capital projects
F Bad/Doubtful debts have been provided at 11% of billable revenue
G Capital budgeted expenditure of R111,7m is funded by R64,3m grants, R0m donation, R0m from a loan and R47,4m from operating (counter funding/CRR)
H The municipality has these projected reserves in the budgeted financial position that need to be backed by cash
I Counter funding included in capital projects deducted from operating expenditure

Is the municipality's budget appropriately funded - Yes
-cash receipts projections are realistic as the cash flow were reduced in line with expected levels of collection
- bad debts have been provided at approximately 11% of billed revenue

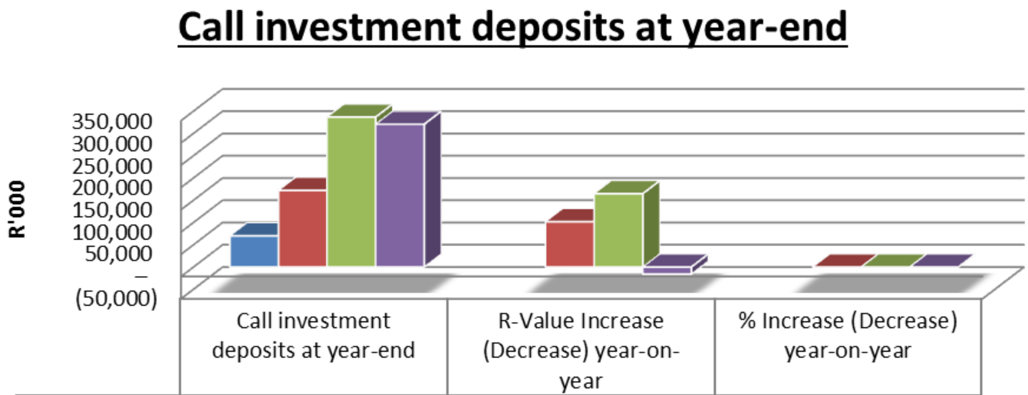
NC091 Sol Plaatje Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12 Audited Outcome	2012/13 Audited Outcome	2013/14 Audited Outcome	Current Year 2014/15 Original Budget	Current Year 2014/15 Adjusted Budget	Current Year 2014/15 Full Year Forecast	2015/16 Medium Term Revenue & Expenditure Framework Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	160 285	323 965	305 199	250 538	250 538	250 538	224 384	250 222	312 164
Cash + investments at the yr end less applications - R'000	18(1)b	2	305 387	439 801	564 778	473 040	432 839	432 839	463 918	486 536	542 925
Cash year end/monthly employee/supplier payments	18(1)b	3	2.0	3.7	3.2	2.3	2.3	2.3	1.9	2.0	2.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	158 525	260 569	258 960	104 754	109 200	109 200	75 154	71 443	71 986
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	9.6%	(3.1%)	7.0%	(10.0%)	(6.0%)	4.6%	2.1%	1.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	97.2%	97.4%	95.7%	88.5%	80.0%	80.0%	86.1%	86.2%	86.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	10.2%	9.5%	10.5%	10.7%	11.1%	11.1%	11.2%	11.2%	11.1%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	171.7%	82.3%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	29.8%	32.3%	(19.0%)	0.0%	0.0%	29.6%	2.7%	0.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	131.6%	(79.7%)	453.5%	0.0%	0.0%	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	7.4%	6.4%	5.0%	6.3%	6.6%	6.6%	5.5%	5.8%	6.0%
Asset renewal % of capital budget	20(1)(vi)	14	5.5%	31.3%	65.6%	77.1%	59.8%	59.8%	69.3%	30.0%	36.6%
High Level Outcome of Funding Compliance											
Total Operating Revenue			1 255 771	1 445 923	1 521 649	1 648 410	1 675 896	1 675 896	1 749 221	1 867 087	1 996 471
Total Operating Expenditure			1 200 434	1 295 311	1 403 563	1 632 584	1 697 106	1 697 106	1 738 342	1 858 882	1 988 228
Surplus/(Deficit) Budgeted Operating Statement			55 337	150 612	118 086	15 826	(21 210)	(21 210)	10 878	8 205	8 243
Surplus/(Deficit) Considering Reserves and Cash Backing			305 387	439 801	564 778	473 040	432 839	432 839	463 918	486 536	542 925
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗		15	✓	✓	✓	✓	✓	✓	✓	✓	✓

As indicated in the Table 38 above the municipal budget has been fully funded since 2011/12 financial year. Cash and cash equivalents are increasing steadily over the MTREF period from R224 million in 2015/16 to R312 million in 2017/18.

As indicated in the chart below, the cash position of the municipality improved tremendously over the past three financial years. As indicated in the chart above, from 30 June 2011 to 30

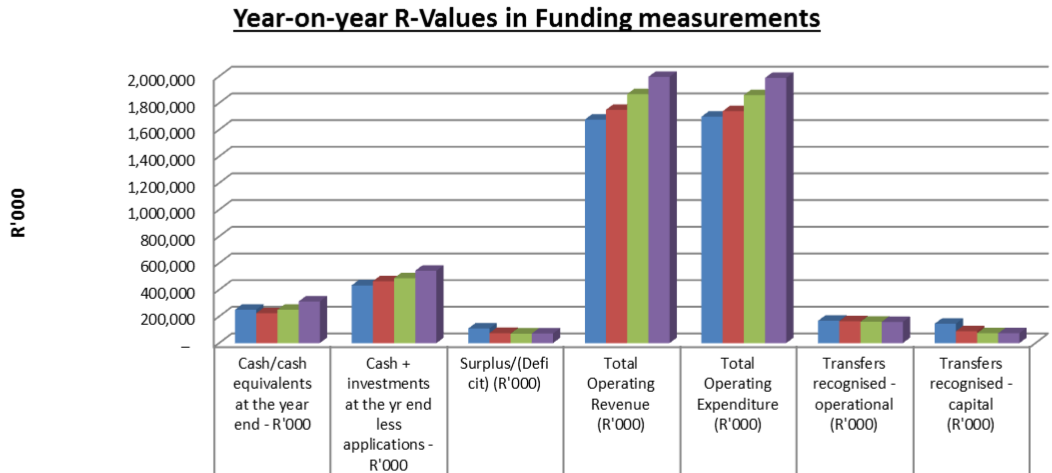
June 2012 investments increased by R101,944 million which constitutes a 146% increase from the previous year's balance of R69,971 million. And from 30 June 2012 to 30 June 2013, investments increased by R164,630 million constituting a 96% increase year-on-year. There has been a slight downward trend from June 2013 to June 2014, investment decreased by R15,954 million which constitute a 5% decrease. This is a result of various factors inter alia the increase on Bulk Purchases, the increased capital investment from own generated funds, loan repayment commitments and the declining collection rate.



	Call investment deposits at year-end	R-Value Increase (Decrease) year-on-year	% Increase (Decrease) year-on-year
30 June 2011	69,971		
30 June 2012	171,915	101,944	146%
30 June 2013	336,545	164,630	96%
30 June 2014	320,591	(15,954)	-5%

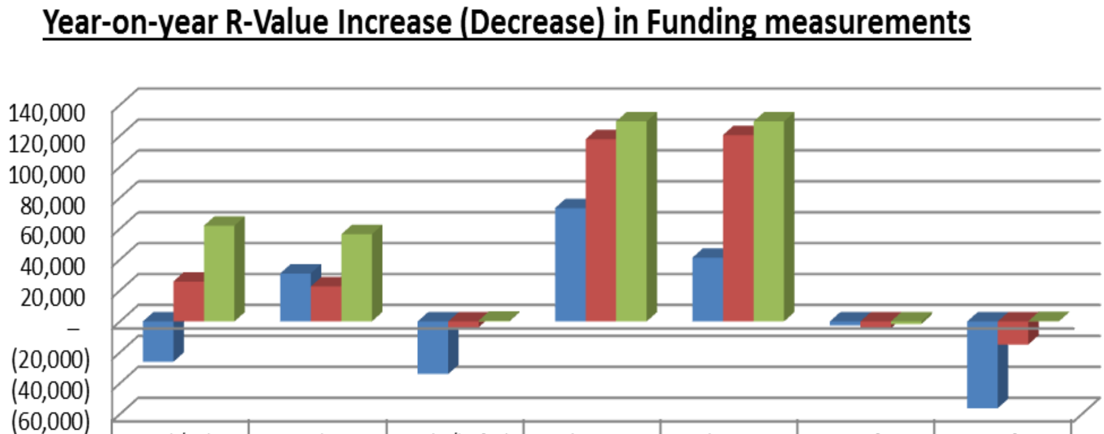
Cash receipts as % of Ratepayers & Other Revenue is projected at 86.1% (2015/16); 86.2% (2016/17) and 86.8% (2017/18) discounted by the rate per annum on Debt Impairment as a % of total revenue excluding Interest on External Investment and Operational Grants. If we consider billable income only, our projected collection rate for 2015/16 is estimated at 89%..

Indicated in the chart below is the year-on-year R-Values in Funding measurements over the 2015/16 MTREF



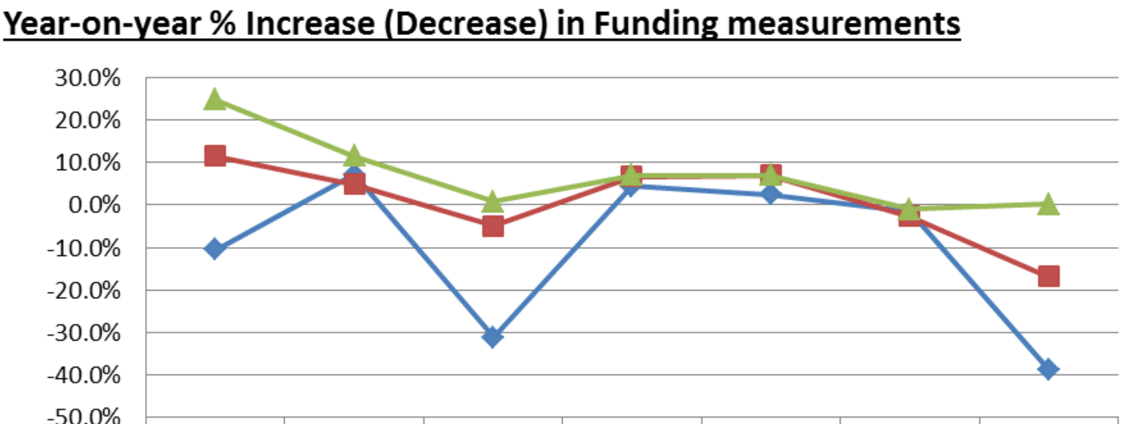
	Cash/cash equivalents at the year end - R'000	Cash + investments at the yr end less applications - R'000	Surplus/(Deficit) (R'000)	Total Operating Revenue (R'000)	Total Operating Expenditure (R'000)	Transfers recognised - operational (R'000)	Transfers recognised - capital (R'000)
Adjusted Budget 2014/15	250,538	432,839	109,200	1,675,896	1,697,106	167,306	145,015
Budget Year 2015/16	224,384	463,918	75,154	1,749,221	1,738,342	164,710	88,927
Budget Year +1 2016/17	250,222	486,536	71,443	1,867,087	1,858,882	160,300	73,997
Budget Year +2 2017/18	312,164	542,925	71,986	1,996,471	1,988,228	158,657	74,156

Indicated in the chart below is the R-Value Increase (Decrease) in Funding measurements over the 2015/16 MTREF



	Cash/cash equivalents at the year end - R'000	Cash + investments at the yr end less applications - R'000	Surplus/(Deficit) (R'000)	Total Operating Revenue (R'000)	Total Operating Expenditure (R'000)	Transfers recognised - operational (R'000)	Transfers recognised - capital (R'000)
Budget Year 2015/16	(26,154)	31,079	(34,046)	73,325	41,236	(2,596)	(56,088)
Budget Year +1 2016/17	25,839	22,619	(3,711)	117,866	120,540	(4,409)	(14,930)
Budget Year +2 2017/18	61,942	56,388	543	129,384	129,346	(1,644)	159

Indicated in the chart below is the % Increase (Decrease) in the Funding measurements over the 2015/16 MTREF



	Cash/cash equivalents at the year end - Year-on-year % Increase (Decrease)	Cash + investments at the yr end less applications - Year-on-year % Increase (Decrease)	Surplus/(Deficit) Year-on-year % Increase (Decrease)	Total Operating Revenue Year-on-year % Increase (Decrease)	Total Operating Expenditure Year-on-year % Increase (Decrease)	Transfers recognised - operational Year-on-year % Increase (Decrease)	Transfers recognised - capital Year-on-year % Increase (Decrease)
Budget Year 2015/16	-10.4%	7.2%	-31.2%	4.4%	2.4%	-1.6%	-38.7%
Budget Year +1 2016/17	11.5%	4.9%	-4.9%	6.7%	6.9%	-2.7%	-16.8%
Budget Year +2 2017/18	24.8%	11.6%	0.8%	6.9%	7.0%	-1.0%	0.2%

10. Expenditure on allocations and grant programmes

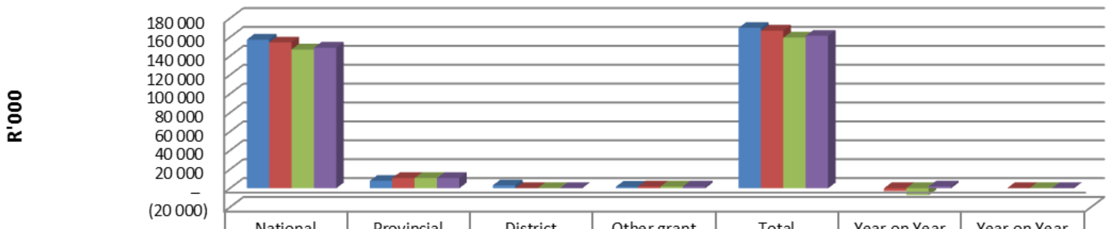
Indicated in the Table 39 below is the summary of expenditure on allocation and grant programme

NC091 Sol Plaatje - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**145 508**	**157 830**	**157 995**	**155 804**	**157 396**	**–**	**154 349**	**146 897**	**148 739**
Local Government Equitable Share		131 806	146 493	145 905	145 440	145 440		143 335	140 315	142 006
Finance Management		1 450	1 500	1 550	1 600	1 600		1 600	1 625	1 700
Municipal Systems Improvement		790	800	890	934	934		930	957	1 033
EPWP Incentive		11 462	7 660	6 618	5 330	5 330		4 984	–	–
Infrastructure Skills Development		–	1 377	3 032	2 500	4 092		3 500	4 000	4 000
Provincial Government:		**5 386**	**6 920**	**4 369**	**7 372**	**7 852**	**–**	**10 735**	**10 735**	**10 735**
Health subsidy		2 435	2 525	2 663	2 809	2 809		2 978	2 978	2 978
COGHSTA		1 048	3 100	–		480				
DWA		205		–						
Library		1 086	1 295	1 706	4 563	4 563		7 757	7 757	7 757
Provincial Resort Subsidy		612	–	–						
District Municipality:		**2 218**	**800**	**1 800**	**–**	**3 061**	**–**	**–**	**–**	**–**
Frances Baard District Municipality		2 218	800	1 800		3 061				
Other grant providers:		**1 370**	**1 315**	**2 437**	**1 534**	**1 534**	**–**	**1 703**	**1 806**	**1 905**
MIG ops		1 370	1 215	1 337	1 534	1 534		1 703	1 806	1 905
Other grant providers:			100	1 100						
Total operating expenditure of Transfers and Grants		**154 482**	**166 865**	**166 601**	**164 710**	**169 842**	**–**	**166 787**	**159 437**	**161 379**
Capital expenditure of Transfers and Grants										
National Government:		**70 026**	**97 644**	**99 126**	**78 677**	**78 677**	**78 677**	**64 276**	**63 237**	**63 743**
Municipal Infrastructure Grant (MIG)		43 993	50 674	54 045	45 677	45 677	45 677	46 626	48 393	51 097
Neighbourhood Development Partnership		7 220		7 220	5 000	–	–	5 000	10 000	10 000
EDSM			50	4 948		–	–			
INEP		18 813	15 086	32 914	3 000	3 000	3 000	7 100	4 844	2 646
Department of Water Affairs			31 833		25 000	30 000	30 000	5 550	–	–
INEP (Eskom)						–	–			
Provincial Government:		**3 604**	**3 240**	**36 743**	**10 250**	**46 733**	**46 733**	**–**	**–**	**–**
Department of Water Affairs				20 617	5 000	5 000	5 000			
COGHSTA			3 240	15 165		36 483	36 483			
DHLG (GURP)		3 604		960	5 250	5 250	5 250			
District Municipality:		**–**	**1 306**	**4 284**	**–**	**5 000**	**5 000**	**–**	**–**	**–**
Frances Baard District Municipality			1 306	4 284		5 000	5 000			
Other grant providers:		**29 557**	**7 768**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transnet		24 448	7 768							
Other		5 109								
Total capital expenditure of Transfers and Grants		**103 187**	**109 958**	**140 153**	**88 927**	**130 411**	**130 411**	**64 276**	**63 237**	**63 743**
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		**257 669**	**276 823**	**306 754**	**253 637**	**300 253**	**130 411**	**231 063**	**222 675**	**225 122**

Indicated in the chart below is the breakdown of operational grants received from National, Provincial, FBDM and Other grant providers. The downward trend as alluded to in the budget assumptions will place serious strain on the municipal available cash reserves. Grants from FBDM have the same budget process than SPM, and therefore all allocations received from the district are factored into the adjustment budget of each year. So indicated below ops grants decrease by R3,055 million or 1.8% from 2014/15 to 2015/16.

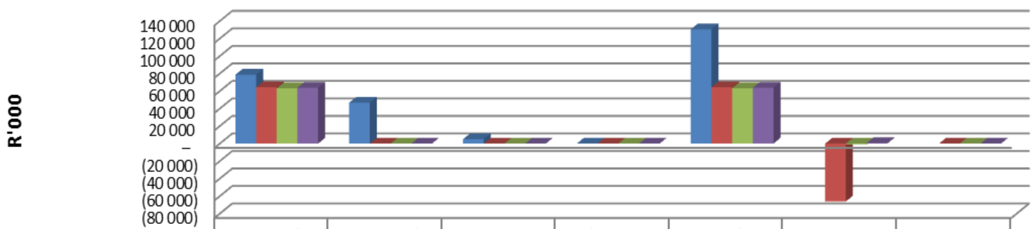
Operational Grants 2015/16 MTREF



	National Government:	Provincial Government:	District Municipality:	Other grant providers:	Total	Year on Year R-Value Increase / (Decrease)	Year on Year % Increase / (Decrease)
Adjusted Budget 2014/15	157 396	7 852	3 061	1 534	169 842		
Budget Year 2015/16	154 349	10 735	–	1 703	166 787	(3 055)	-1.8%
Budget Year +1 2016/17	146 897	10 735	–	1 806	159 437	(7 350)	-4.4%
Budget Year +2 2017/18	148 739	10 735	–	1 905	161 379	1 941	1.2%

Indicated in the chart below is the breakdown of capital grants received from National, Provincial, FBDM and Other grant providers. The downward trend as alluded to in the budget assumptions will place serious strain on the municipal available cash reserves. In respect of capital grants this will have a dire negative effect on service delivery and the municipality's ability to provide quality and timeous services to the community. Grants from FBDM have the same budget process than SPM, and therefore all allocations received from the district are factored into the adjustment budget of each year. Indicated below capital grants decrease by R66,135 million or 50.7% from 2014/15 to 2015/16. And by R1,038 million and 1.6% from 2015/16 to 2016/17. A marginal decrease from 2016/17 to 2017/18 is experienced.

Capital Grants 2015/16 MTREF



	National Government:	Provincial Government:	District Municipality:	Other grant providers:	Total	Year on Year R-Value Increase / (Decrease)	Year on Year % Increase / (Decrease)
Adjusted Budget 2014/15	78 677	46 733	5 000	–	130 411		
Budget Year 2015/16	64 276	–	–	–	64 276	(66 135)	-50.7%
Budget Year +1 2016/17	63 237	–	–	–	63 237	(1 038)	-1.6%
Budget Year +2 2017/18	63 743	–	–	–	63 743	506	0.8%

Indicated in the table 40 below is the capital expenditure per grant per project.

Capital Expenditure on allocations and Grant Programmes 2015/16			
Name of Grant	**Amount Gazetted**		**Project/s Funded by Grant**
MIG	R	25,986,744	Homevale Waste Water Treatment Plant(15ml extension)
MIG	R	1,210,932	Phutanang Cemetery
MIG	R	8,468,235	Landfill Site
MIG	R	6,459,596	Ritchie Bulk
MIG	R	1,000,000	Lerato Park Water
MIG	R	1,000,000	Lerato Park Sewer
MIG	R	1,000,000	Homevale Satelite Fire Station
MIG	R	1,500,000	High Mast Street Lighting
Grand Total	**R**	**46,625,507**	
Name of Grant	**Amount Gazetted**		**Project Funded by Grant**
NDPG	R	5,100,000	Neighborhood Development Partnership Grant
Grand Total	**R**	**5,100,000**	
Name of Grant	**Amount Gazetted**		**Project Funded by Grant**
RBIG	R	5,550,000	Homevale Waste Water Treatment Plant 15ML
Grand Total	**R**	**5,550,000**	
Name of Grant	**Amount Gazetted**		**Project Funded by Grant**
INEP	R	7,000,000	Electrification of Diamant Park Phase 2
Grand Total	**R**	**7,000,000**	
Total Capital Grant Expenditure	**R**	**64,275,507**	

11. Allocations and grants made by the municipality

NC091 Sol Plaatje - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to Organisations										
SPCA	4	550	650	1,170	1,300	1,350	1,350	1,400	1,400	1,400
Donation Keep Kimberley Clean			110	120	150	150	150	160	170	180
Sol Plaatje Educational trust			177	188	200	200	200	210	220	230
Gariep Festival		1,000	1,000	1,100	1,300	1,300	1,300	1,000	1,000	1,000
Diamond and Dorings Festival		1,000	676	1,500	1,300	1,600	1,600	1,800	1,800	1,800
Wildeklawer Tournament (Mayoral Gala)					100	220	220	120		
Arts and Culture					200	200	200	100	160	140
Local Sport Development							–	160	200	200
Grant Griqua Diamonds (Cricket)				100		100	100			
Meals on wheels						50	50			
South African Junior Chess Championships						100	100			
Other		357	10	75	200	100	100	100	100	100
Total Cash Transfers To Organisations		2,907	2,623	4,253	4,750	5,370	5,370	5,050	5,050	5,050
Cash Transfers to Groups of Individuals										
Insert description	5									
Total Cash Transfers To Groups Of Individuals:		–	–	–	–	–	–	–	–	–
TOTAL CASH TRANSFERS AND GRANTS	6	2,907	2,623	4,253	4,750	5,370	5,370	5,050	5,050	5,050
Groups of Individuals										
Indigent Subsidy	5			15,311	50,000	50,000	50,000	50,000	53,250	56,445
Total Non-Cash Grants To Groups Of Individuals:		–	–	15,311	50,000	50,000	50,000	50,000	53,250	56,445
TOTAL NON-CASH TRANSFERS AND GRANTS		–	–	15,311	50,000	50,000	50,000	50,000	53,250	56,445
TOTAL TRANSFERS AND GRANTS	6	2,907	2,623	19,564	54,750	55,370	55,370	55,050	58,300	61,495

The municipality has contractual obligations entered into both by means of a service level agreement or by way of Council Resolution. To date, a commitment had been made to support the activities of SPCA, Keep Kimberley Clean as well as Sol Plaatje Educational Trust. Annual grants are made to these institutions after which they are expected to submit expenditure reports on the grants allocated and paid.

Further to this, the municipality is a title owner of the annual festival Diamonds and Dorings, which is an arts and culture activity drawing audiences of more than 10 000 into the city during the weekend the event is staged. The event is also recognised in the calendar of the National Department of Arts and Culture and forms part of the Mzantsi Golden Economy Strategy. The event takes place on the Easter Sunday with build-up activities in the week leading to the day of the event.

Gariep Fees is a privately managed and staged event, which forms part of the municipal events calendar. The event takes place towards the end of August to beginning of October. Because of the economic spin-offs and tourism benefit, the municipality is sponsoring the event, financially and in kind by making other services such as Emergency Services, refuse collections etc available during the event. The event takes place over 4 days, from Thursday to Sunday. It is a family picnic and fun-time during this weekend.

The municipality support other good causes in the following disciplines, arts and culture (traditional, visual or otherwise), schools and local sports events and activities.

Total grants and subsidies budgeted towards all these causes is less than half a percent of the total expenditure budget for 2015/16 and the outer years.

12. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		16 415	17 243	12 114	18 300	18 300	18 300	19 580	20 755	22 001
Pension and UIF Contributions				797						
Medical Aid Contributions				460						
Motor Vehicle Allowance				3 554						
Cellphone Allowance				1 534						
Housing Allowances										
Other benefits and allowances					1 668	1 668	1 668	1 785	1 892	2 005
Sub Total - Councillors		**16 415**	**17 243**	**18 459**	**19 968**	**19 968**	**19 968**	**21 365**	**22 647**	**24 006**
% increase	4		**5.0%**	**7.1%**	**8.2%**	**–**	**–**	**7.0%**	**6.0%**	**6.0%**
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 276	5 189	5 130	6 390	6 390	6 390	8 595	9 154	9 703
Pension and UIF Contributions		664	790	815	1 168	1 168	1 168	1 540	1 640	1 739
Medical Aid Contributions		173	208	192	215	215	215	214	228	242
Overtime						–	–	–		
Performance Bonus						–	–	–		
Motor Vehicle Allowance	3	1 793	1 793	2 008	1 992	1 992	1 992	2 482	2 482	2 482
Cellphone Allowance	3			102		–	–	–		
Housing Allowances	3	57	61	55	36	36	36	43	46	49
Other benefits and allowances	3	987	599	309	828	828	828	1 022	1 088	1 153
Payments in lieu of leave				74		–	–			
Long service awards				29		–	–			
Post-retirement benefit obligations	6					–	–			
Sub Total - Senior Managers of Municipality		**7 950**	**8 639**	**8 713**	**10 628**	**10 628**	**10 628**	**13 896**	**14 638**	**15 368**
% increase	4		**8.7%**	**0.9%**	**22.0%**	**–**	**–**	**30.8%**	**5.3%**	**5.0%**
Other Municipal Staff										
Basic Salaries and Wages		219 673	230 550	249 375	293 953	296 453	296 453	316 508	335 889	354 809
Pension and UIF Contributions		34 189	35 642	55 411	47 571	47 571	47 571	51 332	54 474	57 541
Medical Aid Contributions		28 227	30 509	29 797	37 026	37 026	37 026	39 250	41 674	44 043
Overtime		14 638	18 532	21 433	17 549	19 049	19 049	17 635	18 707	19 751
Performance Bonus						–	–	–	–	–
Motor Vehicle Allowance	3	21 874	25 794	28 851	27 936	27 936	27 936	37 205	39 651	42 039
Cellphone Allowance	3					–	–	–	–	–
Housing Allowances	3	1 847	1 867	1 615	1 966	1 966	1 966	1 926	2 044	2 160
Other benefits and allowances	3	33 040	41 537	40 979	47 684	47 684	47 684	54 196	57 502	60 736
Payments in lieu of leave		6 289	–	8 664	7 500	7 500	7 500	10 000	10 650	11 289
Long service awards		7 657	8 411	9 075	11 404	11 404	11 404	12 411	13 169	13 909
Post-retirement benefit obligations	6	31 957	33 947	21 669	44 406	44 406	44 406	42 894	46 656	50 779
Sub Total - Other Municipal Staff		**399 392**	**426 789**	**466 870**	**536 996**	**540 996**	**540 996**	**583 358**	**620 418**	**657 056**
% increase	4		**6.9%**	**9.4%**	**15.0%**	**0.7%**	**–**	**7.8%**	**6.4%**	**5.9%**
Total Parent Municipality		**423 757**	**452 671**	**494 042**	**567 591**	**571 591**	**571 591**	**618 619**	**657 703**	**696 430**
			6.8%	**9.1%**	**14.9%**	**0.7%**	**–**	**8.2%**	**6.3%**	**5.9%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**423 757**	**452 671**	**494 042**	**567 591**	**571 591**	**571 591**	**618 619**	**657 703**	**696 430**
% increase	4		**6.8%**	**9.1%**	**14.9%**	**0.7%**	**–**	**8.2%**	**6.3%**	**5.9%**
TOTAL MANAGERS AND STAFF	5,7	**407 342**	**435 428**	**475 583**	**547 624**	**551 624**	**551 624**	**597 254**	**635 056**	**672 424**

13. Monthly revenue and expenditure; cash-flow and capital expenditure targets

NC091 Sol Plaatje - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																
Property rates		190 393	21 022	20 909	21 706	21 317	21 317	21 356	21 362	21 271	21 271	21 271	20 613	423 808	461 721	501 361
Property rates - penalties & collection charges													–	–	–	–
Service charges - electricity revenue		66 795	65 086	44 926	48 061	48 002	47 436	52 166	51 600	47 349	56 325	57 379	66 462	651 586	708 906	768 813
Service charges - water revenue		15 002	17 099	16 957	20 484	20 570	24 653	24 837	23 935	20 000	20 000	20 000	21 797	245 333	260 367	276 234
Service charges - sanitation revenue		5 996	6 705	5 981	5 976	5 958	6 019	5 960	5 993	6 085	6 085	6 085	5 702	72 545	76 730	81 230
Service charges - refuse revenue		4 213	4 291	4 185	4 184	4 189	4 218	4 163	4 214	4 206	4 206	4 206	4 152	50 428	53 607	56 397
Service charges - other													–	–	–	–
Rental of facilities and equipment		1 300	1 279	1 404	1 485	1 360	1 478	2 018	1 227	1 475	1 475	1 475	3 207	19 182	20 370	21 520
Interest earned - external investments			1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	4 000	16 000	20 000	22 000
Interest earned - outstanding debtors		3 676	3 870	5 296	5 367	3 673	4 879	4 145	4 381	3 558	3 558	3 558	4 038	50 000	49 000	47 000
Dividends received													–	–	–	–
Fines		868	868	868	868	868	868	868	868	868	868	868	868	10 419	11 037	11 637
Licences and permits		207	257	255	250	161	143	350	311	282	282	282	214	2 995	3 176	3 352
Agency services		483	483	483	483	483	483	483	483	483	483	483	483	5 800	6 298	6 844
Transfers recognised - operational		56 881	–	–	–	51 146	–	–	4 814	41 556	–	–	12 390	166 787	159 437	161 379
Other revenue		3 027	2 785	3 027	3 027	3 027	3 027	3 027	3 027	3 027	3 027	3 027	1 281	34 336	36 438	38 704
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and cont		**348 840**	**124 946**	**105 491**	**113 092**	**161 956**	**115 722**	**120 573**	**123 415**	**151 362**	**118 782**	**119 835**	**145 207**	**1 749 221**	**1 867 087**	**1 996 471**
Expenditure By Type																
Employee related costs		42 157	43 421	40 964	42 816	45 187	53 499	42 751	45 450	44 399	44 399	44 399	107 811	597 254	635 056	672 424
Remuneration of councillors		1 646	1 646	1 646	1 625	1 661	1 650	1 650	1 645	1 646	1 646	1 646	3 256	21 365	22 647	24 006
Debt impairment		161 000											–	161 000	174 300	187 126
Depreciation & asset impairment		–	–	–	–	–	–	–	–	–	–	–	53 600	53 600	60 019	64 678
Finance charges							14 895						14 895	29 790	28 514	26 779
Bulk purchases		48 000	52 205	54 074	33 678	34 570	34 357	35 022	36 796	32 646	32 683	25 004	41 964	461 000	505 780	554 932
Other materials		3 561	7 415	6 976	7 236	5 128	9 648	3 627	7 703	8 890	7 108	7 108	7 104	81 503	88 481	94 963
Contracted services													–	–	–	–
Transfers and grants		6 967	4 637	4 167	4 167	4 167	4 167	4 167	4 167	5 567	4 167	4 167	4 543	55 050	58 300	61 495
Other expenditure		22 045	23 428	23 969	23 458	21 953	22 689	21 326	21 320	21 698	23 000	24 000	28 895	277 780	285 785	301 826
Loss on disposal of PPE													–	–	–	–
Total Expenditure		**285 376**	**132 752**	**131 796**	**112 981**	**112 666**	**140 905**	**108 543**	**117 080**	**114 846**	**113 004**	**106 325**	**262 068**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit)		**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(116 861)**	**10 878**	**8 205**	**8 243**
Transfers recognised - capital													64 276	64 276	63 238	63 743
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	19 751	21 877	144 652	19 751	21 877	19 751	21 877	19 751	21 877	21 877	21 877	22 271	377 189	409 546	445 710
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–			
Service charges - electricity revenue	62 486	62 770	49 598	43 896	42 389	42 389	42 832	42 389	41 389	41 389	43 389	61 736	576 654	627 382	684 244
Service charges - water revenue	9 363	8 505	10 466	10 677	16 571	22 571	22 571	18 893	15 893	14 893	13 893	54 053	218 346	230 425	245 848
Service charges - sanitation revenue	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 381	64 565	67 906	72 295
Service charges - refuse revenue	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 805	44 881	47 442	50 194
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–			
Rental of facilities and equipment	1 220	1 201	1 318	1 394	1 277	1 388	1 895	1 152	1 652	1 552	1 652	3 480	19 182	20 370	21 520
Interest earned - external investments	–	660	1 384	2 313	247	857	507	1 213	1 213	1 213	1 213	5 180	16 000	20 000	22 000
Interest earned - outstanding debtors	833	833	833	833	833	833	833	833	833	833	833	833	10 000	9 800	13 160
Dividends received	–	–	–	–	–	–	–	–				–	–	–	–
Fines	316	231	233	453	595	398	203	374	374	374	374	1 284	5 210	5 518	5 818
Licences and permits	194	241	240	322	151	135	574	292	181	191	251	223	2 995	3 176	3 352
Agency services	870	519	150	150	150	643	643	643	165	643	643	580	5 800	6 298	6 844
Transfer receipts - operational	56 881	–	–	–	51 146	–	–	4 814	41 556	–	–	12 390	166 787	159 437	161 379
Other revenue	2 714	2 386	3 008	2 924	2 591	2 824	1 576	2 824	2 824	2 824	2 824	5 019	34 336	36 438	38 704
Cash Receipts by Source	**163 743**	**108 337**	**220 996**	**91 828**	**146 943**	**100 903**	**102 627**	**102 293**	**137 072**	**94 904**	**96 064**	**176 235**	**1 541 946**	**1 643 739**	**1 771 068**
Other Cash Flows by Source															
Transfer receipts - capital	12 000				28 500				23 776			–	64 276	63 238	63 743
Contributions recognised - capital & Contributed assets												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**175 743**	**108 337**	**220 996**	**91 828**	**175 443**	**100 903**	**102 627**	**102 293**	**160 848**	**94 904**	**96 064**	**176 235**	**1 606 222**	**1 706 977**	**1 834 811**
Cash Payments by Type															
Employee related costs	44 855	43 421	40 964	42 816	45 187	53 499	42 751	45 450	45 450	45 450	45 450	101 961	597 254	635 056	672 424
Remuneration of councillors	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 781	21 365	22 647	24 006
Finance charges	–	–	–	–	–	14 895	–	–				14 895	29 790	28 514	26 779
Bulk purchases - Electricity	48 000	52 205	46 395	25 999	26 891	25 142	25 808	27 582	25 004	25 004	25 004	41 965	395 000	434 500	477 950
Bulk purchases - Water & Sewer			7 679	7 679	7 679	9 215	9 215	9 215	7 642	7 679		(0)	66 000	71 280	76 982
Other materials	3 343	6 962	6 550	6 795	4 815	9 059	3 405	7 233	8 059	7 059	9 059	9 162	81 503	88 481	94 963
Contracted services	–	–	–	–	–	–	–	–				–	–	–	–
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–				–			
Transfers and grants - other	2 800	470							1 400	–	–	380	5 050	5 050	5 050
Other expenditure	43 409	23 759	35 562	36 111	9 345	34 869	15 340	20 024	15 125	14 125	15 125	14 986	277 780	285 785	301 826
Cash Payments by Type	**144 188**	**128 597**	**138 930**	**121 180**	**95 697**	**148 459**	**98 300**	**111 284**	**104 460**	**101 098**	**96 419**	**185 129**	**1 473 742**	**1 571 314**	**1 679 980**
Other Cash Flows/Payments by Type															
Capital assets	3 103	4 149	4 769	5 561	6 953	7 675	8 593	10 643	13 274	14 980	17 382	14 627	111 709	101 620	84 646
Repayment of borrowing						5 439						5 439	10 878	8 205	8 243
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**147 291**	**132 746**	**143 699**	**126 741**	**102 650**	**161 573**	**106 893**	**121 927**	**117 734**	**116 078**	**113 801**	**205 195**	**1 596 329**	**1 681 139**	**1 772 869**
NET INCREASE/(DECREASE) IN CASH HELD	**28 452**	**(24 409)**	**77 297**	**(34 913)**	**72 793**	**(60 670)**	**(4 266)**	**(19 634)**	**43 114**	**(21 174)**	**(17 737)**	**(28 961)**	**9 892**	**25 839**	**61 942**
Cash/cash equivalents at the month/year begin:	214 492	242 944	218 535	295 832	260 919	333 712	273 042	268 775	249 141	292 255	271 081	253 344	214 492	224 384	250 222
Cash/cash equivalents at the month/year end:	242 944	218 535	295 832	260 919	333 712	273 042	268 775	249 141	292 255	271 081	253 344	224 384	224 384	250 222	312 164

NC091 Sol Plaatje - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated	1															
Vote 8 - INFRASTRUCTURE AND SERVICES		1 500	1 876	2 100	2 546	2 897	3 102	3 546	3 789	3 897	4 100	5 102	10 598	45 053	27 812	3 876
Capital multi-year expenditure sub-total	2	**1 500**	**1 876**	**2 100**	**2 546**	**2 897**	**3 102**	**3 546**	**3 789**	**3 897**	**4 100**	**5 102**	**10 598**	**45 053**	**27 812**	**3 876**
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL												3 000	–	3 000	3 000	3 000
Vote 5 - COMMUNITY SERVICES		879	891	949	978	989	1 000	1 200	1 234	1 532	1 648	1 895	1 901	15 096	9 136	966
Vote 6 - FINANCIAL SERVICES		150	167	198	210	234	256	289	301	356	450	599	1 290	4 500	1 500	2 000
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANN		250	296	301	346	387	415	456	523	645	1 500	1 750	2 231	9 100	13 800	12 600
Vote 8 - INFRASTRUCTURE AND SERVICES		324	919	1 221	1 481	2 446	2 902	3 102	4 796	6 844	7 282	2 036	1 607	34 960	46 372	62 204
Capital single-year expenditure sub-total	2	**1 603**	**2 273**	**2 669**	**3 015**	**4 056**	**4 573**	**5 047**	**6 854**	**9 377**	**10 880**	**9 280**	**7 029**	**66 656**	**73 808**	**80 770**
Total Capital Expenditure	2	**3 103**	**4 149**	**4 769**	**5 561**	**6 953**	**7 675**	**8 593**	**10 643**	**13 274**	**14 980**	**14 382**	**17 627**	**111 709**	**101 620**	**84 646**
Funded by:																
National Government		1 650	2 696	2 716	1 608	3 000	6 222	6 140	6 690	7 321	9 027	6 929	10 274	64 276	63 238	63 743
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		**1 650**	**2 696**	**2 716**	**1 608**	**3 000**	**6 222**	**6 140**	**6 690**	**7 321**	**9 027**	**6 929**	**10 274**	**64 276**	**63 238**	**63 743**
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds		1 453	1 453	2 053	3 953	3 953	1 453	2 453	3 953	5 953	5 953	7 453	7 353	47 433	38 382	20 903
Total Capital Funding		**3 103**	**4 149**	**4 769**	**5 561**	**6 953**	**7 675**	**8 593**	**10 643**	**13 274**	**14 980**	**14 382**	**17 627**	**111 709**	**101 620**	**84 646**

14. Annual budgets by Municipal Vote

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
EXECUTIVE AND COUNCIL	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	12 844	13 614	14 363
Remuneration of Councillors	21 365	22 647	24 006
Depreciation	–	–	–
Repairs and maintenance	2	2	2
General Expenses - Other	5 682	6 023	6 354
TOTAL EXPENDITURE	**39 893**	**42 286**	**44 725**
Other income	–	–	–
TOTAL REVENUE	**–**	**–**	**–**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
MUNICIPAL AND GENERAL	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	58 894	63 696	68 841
Depreciation	38 800	41 216	43 688
Repairs and maintenance	6 350	6 373	6 395
Interest on external borrowings	1 506	884	507
General Expenses - Grants and Subsidies	55 050	58 300	61 495
General Expenses - Other	97 444	93 432	97 336
Contributions to provisions and reserves	60 000	64 000	68 000
TOTAL EXPENDITURE	**318 044**	**327 901**	**346 262**
Rent of facilities and equipment	3	3	3
Interest earned external investment	16 000	20 000	22 000
Interest earned outstanding debt	50 000	49 000	47 000
Grants and subsidies receives - ops	148 319	140 315	142 006
Grants and subsidies receives -CAPITAL	64 276	63 238	63 743
Other revenue	3 696	3 894	4 087
TOTAL REVENUE	**282 294**	**276 450**	**278 839**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
MUNICIPAL MANAGER	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	14 203	15 055	15 883
Depreciation	–	–	–
Repairs ad maintenance	10	10	11
General Expenses - Other	2 561	2 715	2 864
TOTAL EXPENDITURE	**16 774**	**17 780**	**18 758**
Grants and Subsidy - Operating	1 703	1 806	1 905
Other revenue	–	–	–
TOTAL REVENUE	**1 703**	**1 806**	**1 905**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
CORPORATE SERVICES	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	48 365	51 275	54 118
Depreciation	–	–	–
Repairs ad maintenance	1 062	1 126	1 188
General Expenses - Other	11 289	12 248	12 916
TOTAL EXPENDITURE	**60 717**	**64 650**	**68 222**
Service charges	–	–	–
Contributions to provisions and reserves			
Rent of facilities and equipment	28	29	31
Grants and subsidies receives - ops	3 500	4 000	4 000
Other revenue	3 854	4 091	4 532
TOTAL REVENUE	**7 382**	**8 120**	**8 563**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
COMMUNITY SERVICES	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	152 028	161 248	170 270
Depreciation	–	–	–
Repairs ad maintenance	5 648	5 929	6 203
General Expenses - Other	22 881	23 755	24 604
TOTAL EXPENDITURE	**180 556**	**190 933**	**201 076**
Service charges	–	–	–
Rent of facilities and equipment	5 103	5 410	5 707
Fines	10 419	11 037	11 637
Licences and permits	2 715	2 878	3 036
Income for agency services	5 800	6 298	6 844
Grants and subsidies receives - ops	10 735	10 735	10 735
Other revenue	5 609	5 922	6 225
TOTAL REVENUE	**40 381**	**42 278**	**44 184**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
FINANCIAL SERVICES	Budget Year 2015/16 R'000	Budget Year +1 2016/17 R'000	Budget Year +2 2017/18 R'000
Employee Relate Costs	93 500	99 422	105 210
Collection costs	600	639	677
Depreciation	–	–	–
Repairs ad maintenance	682	726	769
General Expenses - Grants and Subsidies	–	–	–
General Expenses - Other	17 774	18 806	19 916
TOTAL EXPENDITURE	**112 557**	**119 593**	**126 572**
Property rates	423 808	461 721	501 361
Service charges	–	–	–
Contributions to provisions and reserves	–	–	–
Rent of facilities and equipment	–	–	–
Fines	–	–	–
Licences and permits	280	298	316
Grants and Subsidy - Operating	2 530	2 582	2 733
Other revenue	12 388	13 186	13 970
TOTAL REVENUE	**439 006**	**477 787**	**518 380**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
STRATEGY,ECONOMIC DEVELOPMENT AND PLANNING	**Budget Year 2015/16 R'000**	**Budget Year +1 2016/17 R'000**	**Budget Year +2 2017/18 R'000**
Employee Relate Costs	30 721	32 624	34 482
Depreciation	–	–	–
Repairs ad maintenance	4 600	4 959	5 343
General Expenses - Other	6 877	7 299	7 715
TOTAL EXPENDITURE	**42 198**	**44 882**	**47 540**
Service charges	–	–	–
Rent of facilities and equipment	953	1 014	1 074
Other revenue	7 372	7 841	8 300
TOTAL REVENUE	**8 325**	**8 855**	**9 374**

MUNICIPAL VOTE	2015/16 Medium Term Revenue & Expenditure Framework		
INFRASTRUCTURE	**Budget Year 2015/16 R'000**	**Budget Year +1 2016/17 R'000**	**Budget Year +2 2017/18 R'000**
Employee Relate Costs	186 700	198 121	209 256
Collection costs	1 200	1 278	1 355
Depreciation	14 800	18 803	20 989
Repairs ad maintenance	63 149	69 356	75 052
Bulk purchases	461 000	505 780	554 932
General Expenses - Other	111 472	119 589	128 089
Interest on external borrowings	39 162	35 835	34 515
Contributions to provisions and reserves	101 000	110 300	119 126
TOTAL EXPENDITURE	**978 482**	**1 059 061**	**1 143 314**
Service charges	1 019 893	1 099 610	1 182 674
Rent of facilities and equipment	13 095	13 914	14 706
Grants and subsidies receives - ops	–	–	–
Other revenue	1 417	1 504	1 590
TOTAL REVENUE	**1 034 405**	**1 115 028**	**1 198 970**

Annual budget Property Rates and by Major services

PROPERTY RATES	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	352 289	373 983	395 189
EMP COST SOCIAL CONTR	124 517	133 319	142 368
REMUNERATION COUNCILORS	21 365	22 647	24 006
COLLECTION COSTS	600	639	677
DEPRECIATION	38 800	41 216	43 688
REPAIRS & MAINTENANCE	26 231	27 783	29 610
EXPENSE EXTERNAL BORROW	593	425	378
GRANTS & SUBSIDIES PAID	55 050	58 300	61 495
GENERAL EXPENSES OTHER	192 878	194 965	204 842
DEBT IMPAIRMENT	60 000	64 000	68 000
TOTAL	**872 323**	**917 276**	**970 254**
CAPITAL REDEMPTION	914	459	129
TOTAL EXPENDITURE	**873 237**	**917 735**	**970 382**
INCOME			
PROPERTY RATES	423 808	461 721	501 361
RENT FACILITIES & EQUIPMENT	15 482	16 448	17 383
INT EARNED EXT INVESTMENTS	16 000	20 000	22 000
INT EARNED OUT DEBTORS	50 000	49 000	47 000
FINES	10 419	11 037	11 637
LICENSES & PERMITS	2 995	3 176	3 352
INCOME FOR AGENCY SERVICES	5 800	6 298	6 844
GRANTS & SUBS OPERATING	166 787	159 437	161 379
OTHER REVENUE	33 181	35 214	37 414
TOTAL	**724 473**	**762 331**	**808 369**
INTERNAL TRANSFERS	71 364	75 346	79 697
CROSS SUBSIDIZATION	77 400	80 058	82 316
TOTAL REVENUE	**873 237**	**917 735**	**970 382**
SURPLUS / (DEFICIT)	–	–	–

SEWERAGE	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	23 551	24 964	26 337
EMP COST SOCIAL CONTR	4 887	5 181	5 466
DEPRECIATION	4 700	6 982	8 366
REPAIRS & MAINTENANCE	7 654	9 815	10 964
EXPENSE EXTERNAL BORROW	3 207	2 870	2 741
GENERAL EXPENSES OTHER	11 316	11 993	12 652
TOTAL	**55 315**	**61 805**	**66 526**
INTERNAL TRANSFERS	–	–	–
CROSS SUBSIDIZATION	15 000	15 000	15 000
CAPITAL REDEMPTION	3 376	1 140	986
TOTAL REVENUE	**73 691**	**77 945**	**82 512**
INCOME			
SERVICE CHARGES	72 545	76 730	81 230
OTHER REVENUE	1 146	1 215	1 281
TOTAL	**73 691**	**77 945**	**82 512**
SURPLUS / (DEFICIT)	–	–	–

REFUSE	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	21 794	23 105	24 380
EMP COST SOCIAL CONTR	5 335	5 656	5 968
DEPRECIATION	2 200	2 350	2 500
REPAIRS & MAINTENANCE	4 800	5 040	5 492
GENERAL EXPENSES OTHER	15 599	16 378	17 195
TOTAL	**49 728**	**52 529**	**55 535**
INTERNAL TRANSFERS	–	–	–
CROSS SUBSIDIZATION	4 400	5 000	5 000
TOTAL EXPENDITURE	**54 128**	**57 529**	**60 535**
INCOME			
SERVICE CHARGES	50 428	53 607	56 397
RENT FACILITIES & EQUIPMENT	3 700	3 922	4 138
TOTAL REVENUE	**54 128**	**57 529**	**60 535**
SURPLUS / (DEFICIT)	**–**	**–**	**–**

WATER	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	25 468	26 996	28 481
EMP COST SOCIAL CONTR	6 444	6 830	7 206
DEPRECIATION	4 000	4 220	4 452
REPAIRS & MAINTENANCE	25 157	26 543	27 998
EXPENSE EXTERNAL BORROW	5 273	5 096	4 905
BULK PURCHASES	66 000	71 280	76 982
GENERAL EXPENSES OTHER	32 506	35 314	38 376
DEBT IMPAIRMENT	28 000	30 000	32 000
TOTAL	**192 848**	**206 279**	**220 400**
INTERNAL TRANSFERS	32 029	33 454	35 292
CROSS SUBSIDIZATION	19 000	19 000	19 000
CAPITAL REDEMPTION	1 458	1 635	1 543
TOTAL REVENUE	**245 334**	**260 368**	**276 235**
INCOME			
SERVICE CHARGES	245 333	260 367	276 234
OTHER REVENUE	1	1	1
TOTAL	**245 334**	**260 368**	**276 235**
SURPLUS / (DEFICIT)	**–**	**–**	**–**

ELECTRICITY	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	27 108	28 798	30 450
EMP COST SOCIAL CONTR	5 861	6 225	6 581
COLLECTION COSTS	1 200	1 278	1 355
DEPRECIATION	3 900	5 251	5 671
REPAIRS & MAINTENANCE	17 661	19 300	20 899
EXPENSE EXTERNAL BORROW	20 716	20 123	18 755
BULK PURCHASES	395 000	434 500	477 950
GENERAL EXPENSES OTHER	23 682	25 218	26 729
DEBT IMPAIRMENT	73 000	80 300	87 126
TOTAL	**568 128**	**620 993**	**675 514**
INTERNAL TRANSFERS	39 335	41 892	44 406
CROSS SUBSIDIZATION	39 000	41 058	43 316
CAPITAL REDEMPTION	5 131	4 970	5 585
TOTAL REVENUE	**651 594**	**708 914**	**768 821**
INCOME			
SERVICE CHARGES	651 586	708 906	768 813
OTHER REVENUE	8	8	8
TOTAL	**651 594**	**708 914**	**768 821**
SURPLUS / (DEFICIT)	–	–	–

MARKET	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	3 591	3 824	4 054
EMP COST SOCIAL CONTR	812	865	917
REPAIRS & MAINTENANCE	400	426	452
GENERAL EXPENSES OTHER	2 501	2 663	2 823
TOTAL	**7 304**	**7 779**	**8 245**
INCOME			
RENT FACILITIES & EQUIPMENT	588	626	664
OTHER REVENUE	4 398	4 684	4 965
TOTAL	**4 986**	**5 310**	**5 629**
SURPLUS / (DEFICIT)	**(2 318)**	**(2 468)**	**(2 617)**

HOUSING	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	R'000	R'000	R'000
EXPENDITURE			
EMP COST SALARIES	13 500	14 372	15 231
EMP COST SOCIAL CONTR	3 160	3 363	3 564
REPAIRS & MAINTENANCE	1 077	1 143	1 208
GENERAL EXPENSES OTHER	4 060	4 312	4 559
TOTAL	**21 797**	**23 190**	**24 562**
INCOME			
RENT FACILITIES & EQUIPMENT	9 395	9 992	10 568
OTHER REVENUE	1	1	1
TOTAL	**9 396**	**9 993**	**10 569**
SURPLUS / (DEFICIT)	**(12 401)**	**(13 197)**	**(13 993)**

Capital Expenditure per Municipal Vote and per Standard Classification

NC091 Sol Plaatje - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote										
Multi-year expenditure *to be appropriated*	2									
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–	–	–	–	–	–	–
Vote 2 - MUNICIPAL AND GENERAL		–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES		–	–	–	12 994	24 614	24 614	–	–	–
Vote 6 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGY ECON DEVELOPMENT AND PL		–	–	–	–	–	–	–	–	–
Vote 8 - INFRASTRUCTURE AND SERVICES		110 668	130 795	9 409	74 774	74 774	74 774	45 053	27 812	3 876
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**110 668**	**130 795**	**9 409**	**87 769**	**99 389**	**99 389**	**45 053**	**27 812**	**3 876**
Single-year expenditure *to be appropriated*	2									
Vote 1 - EXECUTIVE AND COUNCIL		3 566	3 324	1 333	–	–	–	3 000	3 000	3 000
Vote 2 - MUNICIPAL AND GENERAL		394	–	1 030	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER		77	–	55	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES		1 226	–	285	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES		984	35 349	6 727	–	–	–	15 096	9 136	966
Vote 6 - FINANCIAL SERVICES		685	1 923	3 192	1 000	5 300	5 300	4 500	1 500	2 000
Vote 7 - STRATEGY ECON DEVELOPMENT AND PL		10 693	2 178	5 292	10 250	9 338	9 338	9 100	13 800	12 600
Vote 8 - INFRASTRUCTURE AND SERVICES		–	5 718	211 086	32 164	136 200	136 200	34 960	46 372	62 204
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**17 625**	**48 493**	**229 000**	**43 414**	**150 838**	**150 838**	**66 656**	**73 808**	**80 770**
Total Capital Expenditure - Vote		**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**111 709**	**101 620**	**84 646**
Capital Expenditure - Standard										
Governance and administration		**2 455**	**5 247**	**6 554**	**1 000**	**5 300**	**5 300**	**7 500**	**4 500**	**5 000**
Executive and council		544	3 324	2 418		2 500	2 500	3 000	3 000	3 000
Budget and treasury office		685	1 923	4 137	1 000	2 800	2 800	4 500	1 500	2 000
Corporate services		1 226								
Community and public safety		**6 334**	**35 349**	**11 751**	**12 994**	**15 614**	**15 614**	**15 096**	**9 136**	**966**
Community and social services		902	35 349	6 727	12 994	15 614	15 614	14 096	442	–
Sport and recreation		5 432				–	–			
Public safety								1 000	8 694	966
Housing				5 024						
Health										
Economic and environmental services		**10 745**	**2 178**	**51 654**	**10 250**	**68 993**	**68 993**	**9 100**	**13 800**	**28 591**
Planning and development		10 693	2 178	5 292	10 250	9 338	9 338	9 100	13 800	12 600
Road transport		53		46 362		59 655	59 655	–	–	15 991
Environmental protection										
Trading services		**108 362**	**126 618**	**161 666**	**94 938**	**144 819**	**144 819**	**76 012**	**70 184**	**46 089**
Electricity		13 180	43 231	65 072	3 000	20 281	20 281	11 500	6 045	5 046
Water		16 622	50 178	20 195	29 164	35 369	35 369	15 460	36 781	38 217
Waste water management		76 913	33 209	74 280	62 774	87 169	87 169	49 053	27 359	2 825
Waste management		1 647		2 120		2 000	2 000			
Other		**395**	**9 896**	**6 783**	**12 000**	**15 500**	15 500	**4 000**	**4 000**	**4 000**
Total Capital Expenditure - Standard	3	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**111 709**	**101 620**	**84 646**
Funded by:										
National Government		58 329	97 644	99 126	78 677	78 677	78 677	64 276	63 238	63 743
Provincial Government		3 604	3 240	36 743	10 250	46 733	46 733			
District Municipality		2 218	1 306	4 284		5 000	5 000			
Other transfers and grants		21 446	7 768							
Transfers recognised - capital	4	**85 596**	**109 958**	**140 153**	**88 927**	**130 411**	**130 411**	**64 276**	**63 238**	**63 743**
Public contributions & donations	5									
Borrowing	6	36 327	57 073	64 803						
Internally generated funds		6 369	12 258	33 452	42 255	119 816	119 816	47 433	38 382	20 903
Total Capital Funding	7	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**111 709**	**101 620**	**84 646**

15. Contracts having future budgetary implications

Table 46 below depicts that no projects has future budgetary implications.

NC091 Sol Plaatje - Supporting Table SA37 Projects delayed from previous financial year/s												
Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality: *List all capital projects grouped by Municipal Vote*				*Examples*	*Examples*							
		No projects										

16. Capital expenditure by project

Municipal Vote/Capital project **R thousand**	**Program/Project description**	**GPS co-ordinates**	**2015/16 Medium Term Revenue & Expenditure Framework**		
			Budget Year 2015/16	**Budget Year +1 2016/17**	**Budget Year +2 2017/18**
List all capital projects grouped by Municipal Vote					
Executive and Council					
Loose Equipment	Loose Equipment	*Various*	3 000	3 000	3 000
Strategy, Economic Development and Planning					
Neighbourhood Development		*various*	5 100	11 800	12 600
Strategy, Economic Development and Planning	Township Establishment (Studies, etc)	*Various*	2 000	–	–
Strategy, Economic Development and Planning	Reselling of erven services	*various*	2 000	2 000	2 000
Infrastructure and Services					
Integrated National Electricity Program	Diamant Park Phase 2	*-28.739869, 24.742096*	7 000	3 000	2 000
Integrated National Electricity Program	Eskom Grant	*unknown*	–	45	46
Electricity	Replacement of Prepaid Meters	*Various*	3 000	3 000	3 000
Electricity	Highmast Streetlights	*Various*	1 500	–	–
Infrastructure - Other -Transport	Fleet Replacement Program	*Various*	4 000	4 000	4 000
Water	Ritchie Bulk Supply	*-29.037251, 24.585785*	6 460	16 327	32 167
Water	Lerato Park Water	*-28.676088, 24.714344*	1 000	15 454	1 050
Water	Zone Metering	*various*	3 000	–	–
Water	Replacement of Water Meters	*various*	4 000	4 000	5 000
Water	Riverton High Lift Pumps	*-28.519676, 24.695918*	1 000	1 000	–
Water	Phomolong Services of Sites Erven	*-28580.144; -3178802.539*			
Sanitation	Homevale WWT 15 ml Upgrade	*-28.696664, 24.734092*	43 053	–	–
Sanitation	Carters Glen Sewerage	*-26654.67; -3181424.107*	5 000	15 000	–
Sanitation	Sanitary Facilities for different Wards	*Various*			
Sanitation	Services Diamond Park 892 erven & 258 Infills	*-22355.866; -3184461.828*			
Sanitation	Lerato Park Sewer	*-28.676088, 24.714344*	1 000	12 359	2 825
Roads and Stormwater	Resealing of Roads	*Various*	–	–	15 991
Directorate : Finanancial Services					
Information Technology	It Replacement Program: Hardware	*Various*	4 500	1 500	2 000
Directorate: Community Services					
Cemetries	Phutanang Cemetry	*-28.726730, 24.698753*	1 211	–	–
Environmental	Landfill Site Upgrade	*-28.738217, 24.690780*	12 885	442	–
Emergency Services	Satelite Fire Station	*-29.037251, 24.585785*	1 000	8 694	966
Total Capital expenditure			**111 709**	**101 620**	**86 646**

17. Legislation and compliance status

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- Budget and Treasury Office - A budget office and Treasury office has been established in accordance with the MFMA.

- No councillors are serving in the Bid Adjudication Committee

- Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.

- In Year Reporting - 100% compliance with regards to reporting to National Treasury in electronic format on a monthly, quarterly and annual basis.

- Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements.

- Internship Programme - The municipality has been participating in the Municipal Finance Management Internship Programme, has employed a number of interns to undergo training in various finance, internal audit and in IT Departments. Three interns completed their two-year training period at the end of October 2013 and their contracts have been extended by a further 12 months.

18. Service delivery agreements

The municipality has entered into a service delivery agreement with Eskom for the sale of electricity and roll out of free basic electricity to all households in Ritchie area. The SLA to be finalised.

19. Other supporting documents

Please see Annexure A: Calculation of Financial Ratios and Norms as per Circular 71.

20. Municipal Manager's Quality Certificate

I, GH Akharwaray, Municipal Manager of Sol Plaatje Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: GH Akharwaray

Municipal Manager of Sol Plaatje Local Municipality NC091

Signature: ……………………………

Date: …………………………………

CIRCULAR 71
Financial Ratios and Norms

NATIONALTREASURY

MFMA Circular No 71

Municipal Finance Management Act No. 56 of 2003

Template for Calculation of Uniform Financial Ratios and Norms

Annexure A **Interpretation of results**

(green)	The green colour indicates that the result is within the norm and is acceptable
(red)	The red colour indicates that the result is not acceptable and corrective actions/plans should be put in place to improve the results.
(blue)	Data should be captured in the blue colour cell to calculate a ratio.
#	In situations where the results are not within the acceptable norm, corrective actions/plans should be taken and referenced

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2015/16	DATA INPUTS AND RESULTS R'000 2016/17	DATA INPUTS AND RESULTS R'000 2017/18	INTERPRETATION	MUNICIPAL COMMENTS (#)
1. FINANCIAL POSITION										
A. Asset Management/Utilisation										
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) × 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		6%	5%	4%	*Please refer to page 2 of MFMA Circular No.71*	Budgeted Capital Expenditure. Completion of loan funded bulk projects. Downward adjustment on conditional grants as per DoRA
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	-	-	-		
					Total Capital Expenditure	111 709	101 620	84 646		
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) × 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%	0%	0%	*Please refer to page 3 of MFMA Circular No. 71*	
					PPE, Investment Property and Intangible Impairment					
					PPE at carrying value	1 477 512	1 535 620	1 577 221		
					Investment at carrying value	200 747	202 754	204 782		
					Intangible Assets at carrying value	1 153	1 211	1 284		
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		5%	5%	5%	*Please refer to page 4 of MFMA Circular No. 71*	Expenditure on R&M includes only materials and no labour costs
					Total Repairs and Maintenance Expenditure	81 503	88 481	94 963		
					PPE at carrying value	1 477 512	1 535 620	1 577 221		
					Investment Property at Carrying value	200 747	202 754	204 782		
3.1	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		5%	5%	5%	*Please refer to page 4 of MFMA Circular No. 71*	Calculation of Expenditure on R&M including materials and labour costs
					Total Repairs and Maintenance Expenditure including Labour Costs	81 503	88 481	94 963		
					PPE at carrying value	1 477 512	1 535 620	1 577 221		
					Investment Property at Carrying value	200 747	202 754	204 782		

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2015/16	DATA INPUTS AND RESULTS R'000 2016/17	DATA INPUTS AND RESULTS R'000 2017/18	*INTERPRETATION*	MUNICIPAL COMMENTS (#)
B. Debtors Management										
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		85%	89%	89%	*Please refer to page 5 of MFMA Circular No. 71*	The opening balance of Gross Debtors as per the adjustment budget is too low.
					Gross Debtors closing balance	1 247 961	1 430 889	1 619 496		
					Gross Debtors opening balance	1 025 877	1 247 961	1 430 889		
					Bad debts written Off	–	–	–		
					Billed Revenue	1 493 701	1 610 331	1 731 035		
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	0%	0%	*Please refer to page 5 of MFMA Circular No. 71*	
					Consumer Debtors Bad debts written off	–	–	–		
					Consumer Debtors Current bad debt Provision	161 000	174 300	187 126		
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		70 days	67 days	63 days	*Please refer to page 6 of MFMA Circular No. 71*	Included in Gross Debtors is unpaid grants as well as non-billed revenue. A portion of gross debtors includes Property Rates and Government debt
					Gross debtors	1 247 961	1 430 889	1 619 496		
					Bad debts Provision	960 340	1 134 640	1 321 766		
					Billed Revenue	1 493 701	1 610 331	1 731 035		
C. Liquidity Management										
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months		2 Month	2 Month	2 Month	*Please refer to page 7 of MFMA Circular No. 71*	
					Cash and cash equivalents	-	-	-		
					Unspent Conditional Grants	-	-	-		
					Overdraft	16 640	15 808	14 702		
					Short Term Investments	240 000	265 916	326 737		
					Total Annual Operational Expenditure	1 738 342	1 858 882	1 988 228		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		3.20	3.18	3.20	*Please refer to page 7 of MFMA Circular No. 71*	
					Current Assets	870 617	914 625	980 168		
					Current Liabilities	271 762	287 415	306 557		
D. Liability Management										
1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		2%	2%	2%	*Please refer to page 8 of MFMA Circular No. 71*	
					Interest Paid	29 790	28 514	26 779		
					Redemption	10 878	8 205	8 243		
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	–	–	–		
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		14%	12%	10%	*Please refer to page 9 of MFMA Circular No. 71*	
					Total Debt	226 841	207 758	191 311		
					Total Operating Revenue	1 749 221	1 867 087	1 996 471		
					Operational Conditional Grants	166 787	159 437	161 379		

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	DATA INPUTS AND RESULTS	DATA INPUTS AND RESULTS	INTERPRETATION	MUNICIPAL COMMENTS (#)
						R'000 2015/16	R'000 2016/17	R'000 2017/18		

E. Sustainability

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	2015/16	2016/17	2017/18	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		260%	287%	389%	*Please refer to page 9 of MFMA Circular No. 71*	
					Cash and cash Equivalents					
					Bank Overdraft	16 640	15 808	14 702		
					Short Term Investment	240 000	265 916	326 737		
					Long Term Investment	–	–	–		
					Unspent Grants	–	–	–		
					Net Assets	1 784 200	1 859 354	1 930 797		
					Share Premium	–	–	–		
					Share Capital	–	–	–		
					Revaluation Reserve	–	–	–		
					Fair Value Adjustment Reserve	–	–	–		
					Accumulated Surplus	1 698 400	1 772 354	1 850 597		

2. FINANCIAL PERFORMANCE

A. Efficiency

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	2015/16	2016/17	2017/18	INTERPRETATION	MUNICIPAL COMMENTS (#)
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%		4%	4%	4%	*Please refer to page 10 of MFMA Circular No. 71*	
					Total Operating Revenue	1 749 221	1 867 087	1 996 471		
					Depreciation - Revalued Portion *(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)*	53 600	60 019	64 678		
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	–	–	–		
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%		13%	12%	12%	*Please refer to page 10 of MFMA Circular No. 71*	
					Total Electricity Revenue	651 594	708 914	768 821		
					Total Electricity Expenditure	568 128	620 993	675 514		
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		21%	21%	20%	*Please refer to page 11 of MFMA Circular No. 71*	
					Total Water Revenue	245 334	260 368	276 235		
					Total Water Expenditure	192 848	206 279	220 400		
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue × 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%		8%	9%	8%	*Please refer to page 12 of MFMA Circular No. 71*	
					Total Refuse Revenue	54 128	57 529	60 535		
					Total Refuse Expenditure	49 728	52 529	55 535		
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue × 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%		22%	18%	17%	*Please refer to page 12 of MFMA Circular No. 71*	
					Total Sanitation and Water Waste Revenue	73 691	77 945	82 512		
					Total Sanitation and Water Waste Expenditure	57 250	63 856	68 690		

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2015/16	DATA INPUTS AND RESULTS R'000 2016/17	DATA INPUTS AND RESULTS R'000 2017/18	INTERPRETATION	MUNICIPAL COMMENTS (#)
B. Distribution Losses										
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%		-36%	-22%	-14%	*Please refer to page 13 of MFMA Circular No. 71*	Total Electricity Losses includes technical losses. According to NERSA's Municipal Tariff Benchmark for 2014/15, the tolerable range is 5% - 12%
					Number of units purchased and/or generated ('000)	56 942	61 953	62 709		
					Number of units sold ('000)	77 639	75 885	71 535		
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%		-36%	-30%	-24%	*Please refer to page 13 of MFMA Circular No. 71*	
					Number of kilolitres purchased and/or purified ('000)	9 167	8 677	8 368		
					Number of kilolitres sold ('000)	12 502	11 262	10 341		
C. Revenue Management										
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None		2%	2%	1%	*Please refer to page 14 of MFMA Circular No. 71*	Number of Active Debtors Accounts (Current) was as at 31 December 2013
					Number of Active Debtors Accounts (Previous)	60	61	62		
					Number of Active Debtors Accounts (Current)	62	62	63		
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI		3%	6%	6%	*Please refer to page 15 of MFMA Circular No. 71*	The sharp decline in capital grants as per DoRA had a huge influence on this ratio
					CPI	6%	6%	6%		
					Total Revenue (Previous)	1 806 306	1 860 929	1 968 707		
					Total Revenue (Current)	1 860 929	1 968 707	2 081 117		
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI		7%	7%	7%	*Please refer to page 15 of MFMA Circular No. 71*	
					CPI	6%	5%	5%		
					Total Revenue Exl.Capital (Previous)	1 632 584	1 749 221	1 867 087		
					Total Revenue Exl.Capital (Current)	1 749 221	1 867 087	1 996 471		
D. Expenditure Management										
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		30 days	30 days	30 days	*Please refer to page 16 of MFMA Circular No.71*	
					Trade Creditors	217 493	234 370	252 193		
					Contracted Services	–	–	–		
					Repairs and Maintenance	81 503	88 481	94 963		
					General expenses	277 780	285 785	301 826		
					Bulk Purchases	461 000	505 780	554 932		
					Capital Credit Purchases *(Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)*	1 850 051	1 960 503	2 072 874		

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2015/16	DATA INPUTS AND RESULTS R'000 2016/17	DATA INPUTS AND RESULTS R'000 2017/18	INTERPRETATION	MUNICIPAL COMMENTS (#)
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		0%	0%	0%	*Please refer to page 16 of MFMA Circular No. 71*	
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-	-	-		
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	-	-	-		
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		36%	35%	35%	*Please refer to page 17 of MFMA Circular No. 71*	
					Employee/personnel related cost	597 254	635 056	672 424		
					Councillors Remuneration	21 365	22 647	24 006		
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	–	–	–		
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		0%	0%	0%	*Please refer to page 17 of MFMA Circular No. 71*	
					Contracted Services	–	–	–		
					Total Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Taxation Expense	–	–	–		
E. Grant Dependency										
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		42%	38%	25%	*Please refer to page 18 of MFMA Circular No. 71*	
					Internally generated funds	47 433	38 382	20 903		
					Borrowings	–	–	–		
					Total Capital Expenditure	111 709	101 620	84 646		
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		42%	38%	25%	*Please refer to page 18 of MFMA Circular No. 71*	
					Internally generated funds	47 433	38 382	20 903		
					Total Capital Expenditure	111 709	101 620	84 646		
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		94%	95%	95%	*Please refer to page 18 of MFMA Circular No. 71*	
					Total Revenue	1 749 221	1 867 087	1 996 471		
					Government grant and subsidies	166 787	159 437	161 379		
					Public contributions and Donations	–	–	–		
					Capital Grants	64 276	63 238	63 743		

NO	RATIO	FORMULA	DATA SOURCE	NORM/RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS R'000 2015/16	DATA INPUTS AND RESULTS R'000 2016/17	DATA INPUTS AND RESULTS R'000 2017/18	*INTERPRETATION*	MUNICIPAL COMMENTS (#)
3. BUDGET IMPLEMENTATION										
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		100%	100%	100%	*Please refer to page 19 of MFMA Circular No. 71*	
					Actual Capital Expenditure	111 709	101 620	84 646		
					Budget Capital Expenditure	111 709	101 620	84 646		
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	100%	100%	*Please refer to page 20 of MFMA Circular No. 71*	
					Actual Operating Expenditure	1 738 342	1 858 882	1 988 228		
					Budget Operating Expenditure	1 738 342	1 858 882	1 988 228		
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	100%	100%	*Please refer to page 20 of MFMA Circular No. 71*	
					Actual Operating Revenue	1 749 221	1 867 087	1 996 471		
					Budget Operating Revenue	1 749 221	1 867 087	1 996 471		
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		100%	100%	100%	*Please refer to page 21 of MFMA Circular No. 71*	
					Actual Service Charges and Property Rates Revenue	1 443 701	1 561 331	1 684 035		
					Budget Service Charges and Property Rates Revenue	1 443 701	1 561 331	1 684 035		

MARCH 2015/16 BUDGET ANNEXURES

1. Schedules
2. Tariffs
3. History of Tariffs
4. IDP Overview
5. SDBIP
6. Policies
7. By-laws
8. MFMA-Circulars

BUDGET SCHEDULES AND SUPPORTING TABLES

Municipal annual budgets and MTREF & supporting tables

Version 2.7.1

Click for Instructions!

Accountability

Transparency

Information & service delivery

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Elsabé Rossouw
National Treasury
Tel: (012) 315-5534
Electronic submissions:
lgdocuments@treasury.gov.za

Preparation Instructions

Municipality Name: NC091 Sol Plaatje

CFO Name: ZL Mahloko

Tel: 053 8306500 **Fax:** 053 8314658

E-Mail: zmahloko@solplaatje.org.za

Budget for MTREF starting: 2015 **Budget Year:** 2015/16

Does this municipality have Entities? No

If YES: Identify type of report:

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all sheets

Show Reference columns on all sheets

Showing / Clearing Highlights

Show Highlights on all sheets

Important documents which provide essential assistance

MFMA Budget Circulars	Click to view
MBRR Budget Formats Guide	Click to view
Dummy Budget Guide	Click to view
Funding Compliance Guide	Click to view
MFMA Return Forms	Click to view

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - EXECUTIVE AND COUNCIL	***Vote 1***	***EXECUTIVE AND COUNCIL***	
Vote 2 - MUNICIPAL AND GENERAL	*1.1*	*EXECUTIVE AND COUNCIL*	*1.1 - EXECUTIVE AND COUNCIL*
Vote 3 - MUNICIPAL MANAGER			
Vote 4 - CORPORATE SERVICES			
Vote 5 - COMMUNITY SERVICES			
Vote 6 - FINANCIAL SERVICES			
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING			
Vote 8 - INFRASTRUCTURE AND SERVICES			
	Vote 3	***MUNICIPAL MANAGER***	
	Vote 4	***CORPORATE SERVICES***	
	Vote 5	***COMMUNITY SERVICES***	
	Vote 6	***FINANCIAL SERVICES***	
	Vote 7	***STRATEGY ECON DEVELOPMENT AND PLANNING***	
	Vote 8	***INFRASTRUCTURE AND SERVICES***	

NC091 Sol Plaatje - Contact Information

A. GENERAL INFORMATION

Municipality	**NC091 Sol Plaatje**
Grade	Grade 4
Province	**NC NORTHERN CAPE**
Web Address	www.solplaatje.org.za
e-mail Address	info@solplaatje.org.za

B. CONTACT INFORMATION

Postal address:	
P.O. Box	X5030
City / Town	Kimberley
Postal Code	8300
Street address	
Building	Civic Centre
Street No. & Name	Sol Plaatje Drive
City / Town	Kimberley
Postal Code	8301
General Contacts	
Telephone number	0538306911
Fax number	0538331005

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
Name	OM Matika	Name	ES Mdali
Telephone number	0538306460	Telephone number	0538306461
Cell number	0828694856	Cell number	0828418335
Fax number		Fax number	
E-mail address	Mmatika@solplaatje.org.za	E-mail address	emdali@solplaatje.org.za
Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
Name	KD Molusi	Name	V Kgokong
Telephone number	0538306269	Telephone number	0538306269
Cell number	0832616436	Cell number	0728952541
Fax number	0865364885	Fax number	
E-mail address	vkgokong@solplaatje.org.za	E-mail address	vkgokong@solplaatje.org.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
Name	G Akharwaray	Name	J Bonokwane
Telephone number	0538306100	Telephone number	0538306100
Cell number	0832558808	Cell number	0727213953
Fax number	0538331005	Fax number	0538331005
E-mail address	gakharwaray@solplaatje.org.za	E-mail address	jbonokwane@solplaatje.org.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
Name	ZL Mahloko	Name	B Vermeulen
Telephone number	053 8306500	Telephone number	0538306502
Cell number		Cell number	0723344161
Fax number	053 8314658	Fax number	0538314658
E-mail address	zmahloko@solplaatje.org.za	E-mail address	bvermeulen@solplaatje.org.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
Name	C Henderson	Name	C Jenneke
Telephone number	0538306533	Telephone number	0538306564
Cell number	0832609374	Cell number	0824027793
Fax number	0866812135	Fax number	0538314658
E-mail address	chenderson@solplaatje.org.za	E-mail address	cjenneke@solplaatje.org.za

NC091 Sol Plaatje - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance										
Property rates	**271 038**	331 348	368 225	397 946	397 946	397 946	–	423 808	461 721	501 361
Service charges	740 699	838 429	835 048	962 195	907 895	907 895	–	1 019 893	1 099 610	1 182 674
Investment revenue	8 565	15 240	21 413	12 000	16 000	16 000	–	16 000	20 000	22 000
Transfers recognised - operational	154 482	166 865	166 601	164 710	169 842	169 842	–	166 787	159 437	161 379
Other own revenue	80 987	94 040	130 362	111 558	184 212	184 212	–	122 733	126 318	129 058
Total Revenue (excluding capital transfers and contributions)	1 255 771	1 445 923	1 521 649	1 648 410	1 675 896	1 675 896	–	1 749 221	1 867 087	1 996 471
Employee costs	407 342	438 406	474 749	547 624	551 624	551 624	–	597 254	635 056	672 424
Remuneration of councillors	16 415	17 243	18 459	19 968	19 968	19 968	–	21 365	22 647	24 006
Depreciation & asset impairment	38 888	42 949	41 988	52 550	52 550	52 550	–	53 600	60 019	64 678
Finance charges	17 088	24 694	28 056	36 559	34 559	34 559	–	29 790	28 514	26 779
Materials and bulk purchases	358 444	416 058	445 262	509 135	515 735	515 735	–	542 503	594 261	649 895
Transfers and grants	2 907	2 623	19 564	54 750	55 370	55 370	–	55 050	58 300	61 495
Other expenditure	359 349	353 339	375 484	411 997	467 300	467 300	–	438 780	460 085	488 952
Total Expenditure	1 200 434	1 295 311	1 403 563	1 632 584	1 697 106	1 697 106	–	1 738 342	1 858 882	1 988 228
Surplus/(Deficit)	55 337	150 612	118 086	15 826	(21 210)	(21 210)	–	10 878	8 205	8 243
Transfers recognised - capital	103 187	109 958	140 153	88 927	130 411	130 411	–	64 276	63 238	63 743
Contributions recognised - capital & contributed assets	–	–	721	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	158 525	260 569	258 960	104 754	109 200	109 200	–	75 154	71 443	71 986
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	158 525	260 569	258 960	104 754	109 200	109 200	–	75 154	71 443	71 986
Capital expenditure & funds sources										
Capital expenditure	**128 292**	179 288	238 409	131 183	250 226	250 226	–	111 709	101 620	84 646
Transfers recognised - capital	**85 596**	109 958	140 153	88 927	130 411	130 411	–	64 276	63 238	63 743
Public contributions & donations	**–**	–	–	–	–	–	–	–	–	–
Borrowing	**36 327**	57 073	64 803	–	–	–	–	–	–	–
Internally generated funds	**6 369**	12 258	33 452	42 255	119 816	119 816	–	47 433	38 382	20 903
Total sources of capital funds	**128 292**	179 288	238 409	131 183	250 226	250 226	–	111 709	101 620	84 646
Financial position										
Total current assets	**528 924**	791 622	920 546	751 806	751 806	751 806	–	870 617	914 625	980 168
Total non current assets	**1 127 357**	1 299 855	1 491 500	1 581 719	1 581 719	1 581 719	–	1 687 042	1 747 207	1 790 900
Total current liabilities	**190 709**	252 302	255 011	230 326	230 326	230 326	–	271 762	287 415	306 557
Total non current liabilities	**352 868**	423 135	482 036	502 441	502 441	502 441	–	501 697	515 063	533 715
Community wealth/Equity	**1 112 704**	1 416 040	1 674 999	1 600 758	1 600 758	1 600 758	–	1 784 200	1 859 354	1 930 797
Cash flows										
Net cash from (used) operating	**161 488**	302 288	175 143	159 383	211 391	211 391	–	132 479	135 663	154 830
Net cash from (used) investing	**(128 292)**	(179 288)	(238 409)	(131 183)	(250 226)	(250 226)	–	(111 709)	(101 620)	(84 646)
Net cash from (used) financing	**66 517**	40 680	44 500	(14 564)	(15 827)	(15 827)	–	(10 878)	(8 205)	(8 243)
Cash/cash equivalents at the year end	**160 285**	323 965	305 199	250 538	250 538	250 538	–	224 384	250 222	312 164
Cash backing/surplus reconciliation										
Cash and investments available	**160 285**	323 965	305 199	250 492	250 492	250 492	–	223 360	250 108	312 035
Application of cash and investments	**(145 102)**	(115 836)	(200 072)	(222 548)	(182 347)	(182 347)	–	(240 558)	(236 429)	(230 890)
Balance - surplus (shortfall)	**305 387**	439 801	505 272	473 040	432 839	432 839	–	463 918	486 536	542 925
Asset management										
Asset register summary (WDV)	**1 118 776**	1 288 933	1 483 861	1 570 289	1 570 289	1 570 289	1 679 412	1 679 412	1 739 585	1 783 287
Depreciation & asset impairment	**38 888**	42 949	41 988	52 550	52 550	52 550	53 600	53 600	60 019	64 678
Renewal of Existing Assets	**7 094**	56 132	151 286	101 188	149 557	149 557	149 557	77 438	30 442	30 991
Repairs and Maintenance	**68 422**	68 982	64 257	87 136	90 736	90 736	81 503	81 503	88 481	94 963
Free services										
Cost of Free Basic Services provided	**157 060**	14 811	17 453	46 640	46 640	46 640	40 932	40 932	43 626	46 350
Revenue cost of free services provided	**222 664**	88 375	97 577	132 364	132 364	132 364	114 253	114 253	123 509	133 095
Households below minimum service level										
Water:	7	7	7	6	6	6	7	7	8	8
Sanitation/sewerage:	9	9	7	6	6	6	7	7	8	8
Energy:	9	9	7	7	7	7	5	5	7	9
Refuse:	9	9	9	8	8	8	10	10	12	12

NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Revenue - Standard</u>									
Governance and administration	**577 879**	**674 077**	**772 885**	**720 716**	**790 700**	**790 700**	**730 625**	**764 418**	**807 955**
Executive and council	294 539	323 656	386 279	302 496	370 888	370 888	283 997	278 256	280 744
Budget and treasury office	273 722	346 424	379 124	403 348	403 348	403 348	430 284	468 498	508 533
Corporate services	9 618	3 997	7 483	14 872	16 464	16 464	16 344	17 664	18 678
Community and public safety	**22 226**	**23 781**	**37 561**	**34 244**	**87 530**	**87 530**	**41 042**	**42 862**	**44 627**
Community and social services	9 341	8 801	15 697	16 147	19 297	19 297	21 665	22 469	23 251
Sport and recreation	3 226	4 121	8 896	6 351	5 351	5 351	6 553	6 945	7 325
Public safety	414	397	414	369	369	369	451	478	504
Housing	6 775	7 921	9 850	8 569	59 705	59 705	9 396	9 993	10 569
Health	2 469	2 541	2 704	2 809	2 809	2 809	2 978	2 978	2 978
Economic and environmental services	**10 628**	**10 313**	**9 922**	**10 913**	**10 913**	**10 913**	**11 986**	**12 863**	**13 780**
Planning and development	1 984	2 491	2 613	2 910	2 910	2 910	2 990	3 174	3 354
Road transport	8 644	7 823	7 309	8 003	8 003	8 003	8 996	9 688	10 425
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**745 080**	**843 221**	**839 740**	**966 635**	**912 335**	**912 335**	**1 024 748**	**1 104 756**	**1 188 102**
Electricity	480 748	540 172	529 055	608 861	568 861	568 861	651 594	708 914	768 821
Water	170 063	199 314	198 083	239 316	224 316	224 316	245 334	260 368	276 235
Waste water management	53 846	59 617	64 665	68 318	69 018	69 018	73 691	77 945	82 512
Waste management	40 423	44 119	47 936	50 141	50 141	50 141	54 128	57 529	60 535
Other	**3 145**	**4 488**	**2 415**	**4 828**	**4 828**	**4 828**	**5 095**	**5 426**	**5 751**
Total Revenue - Standard	**1 358 958**	**1 555 880**	**1 662 522**	**1 737 337**	**1 806 306**	**1 806 306**	**1 813 496**	**1 930 325**	**2 060 214**
<u>Expenditure - Standard</u>									
Governance and administration	**399 402**	**397 048**	**410 719**	**526 701**	**523 847**	**523 847**	**549 075**	**573 876**	**606 653**
Executive and council	285 642	275 221	275 661	366 399	359 119	359 119	373 797	387 508	409 617
Budget and treasury office	62 091	70 681	77 121	92 131	94 666	94 666	102 394	108 770	115 099
Corporate services	51 669	51 146	57 938	68 171	70 062	70 062	72 884	77 597	81 936
Community and public safety	**150 687**	**168 786**	**181 879**	**197 169**	**248 555**	**248 555**	**213 033**	**226 229**	**239 350**
Community and social services	48 752	54 598	60 195	68 817	68 817	68 817	75 318	79 556	83 693
Sport and recreation	35 940	39 792	41 576	41 162	41 412	41 412	44 245	46 705	49 096
Public safety	32 565	39 315	40 759	48 346	48 346	48 346	51 465	55 330	59 345
Housing	18 624	19 486	23 114	19 833	70 969	70 969	21 797	23 190	24 562
Health	14 805	15 596	16 236	19 010	19 010	19 010	20 208	21 448	22 654
Economic and environmental services	**69 931**	**65 219**	**74 088**	**90 676**	**96 416**	**96 416**	**98 400**	**104 616**	**110 970**
Planning and development	17 353	18 425	22 893	27 407	28 147	28 147	30 313	32 255	34 183
Road transport	52 578	46 794	51 195	63 269	68 269	68 269	68 087	72 362	76 787
Environmental protection	–	–	–	–	–	–	–	–	–
Trading services	**572 781**	**656 043**	**727 487**	**808 894**	**819 144**	**819 144**	**867 954**	**943 658**	**1 020 139**
Electricity	382 944	430 581	463 369	526 015	520 515	520 515	568 128	620 993	675 514
Water	107 620	135 274	169 011	185 596	191 846	191 846	192 848	206 279	220 400
Waste water management	43 498	47 158	50 636	52 142	57 142	57 142	57 250	63 856	68 690
Waste management	38 719	43 030	44 470	45 141	49 641	49 641	49 728	52 529	55 535
Other	**7 634**	**8 215**	**9 390**	**9 145**	**9 145**	**9 145**	**9 881**	**10 503**	**11 116**
Total Expenditure - Standard	**1 200 434**	**1 295 311**	**1 403 563**	**1 632 584**	**1 697 106**	**1 697 106**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) for the year	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Municipal governance and administration	**577 879**	**674 077**	**772 885**	**720 716**	**790 700**	**790 700**	**730 625**	**764 418**	**807 955**
Executive and council	294 539	323 656	386 279	302 496	370 888	370 888	283 997	278 256	280 744
Mayor and Council	292 707	322 440	384 845	300 330	369 354	369 354	282 294	276 450	278 839
Municipal Manager	1 832	1 215	1 434	2 166	1 534	1 534	1 703	1 806	1 905
Budget and treasury office	273 722	346 424	379 124	403 348	403 348	403 348	430 284	468 498	508 533
Corporate services	9 618	3 997	7 483	14 872	16 464	16 464	16 344	17 664	18 678
Human Resources	786								
Information Technology	5 990		–	8 019	8 019	8 019	8 723	9 290	9 847
Property Services	214	191	208	301	301	301	240	254	268
Other Admin	2 628	3 806	7 275	6 552	8 144	8 144	7 382	8 120	8 563
Community and public safety	**22 226**	**23 781**	**37 561**	**34 244**	**87 530**	**87 530**	**41 042**	**42 862**	**44 627**
Community and social services	**9 341**	**8 801**	**15 697**	**16 147**	**19 297**	**19 297**	**21 665**	**22 469**	**23 251**
Libraries and Archives	1 402	1 584	1 579	4 897	4 897	4 897	8 085	8 085	8 085
Museums & Art Galleries etc									
Community halls and Facilities	420	780	744	850	850	850	900	954	1 006
Cemeteries & Crematoriums	1 323	1 472	1 494	1 750	1 750	1 750	1 800	1 899	1 994
Child Care									
Aged Care									
Other Community	6 197	4 965	11 880	8 650	11 800	11 800	10 880	11 532	12 166
Other Social									
Sport and recreation	3 226	4 121	8 896	6 351	5 351	5 351	6 553	6 945	7 325
Public safety	**414**	**397**	**414**	**369**	**369**	**369**	**451**	**478**	**504**
Police									
Fire	414	397	414	369	369	369	451	478	504
Civil Defence									
Street Lighting									
Other									
Housing	**6 775**	**7 921**	**9 850**	**8 569**	**59 705**	**59 705**	**9 396**	**9 993**	**10 569**
Health	**2 469**	**2 541**	**2 704**	**2 809**	**2 809**	**2 809**	**2 978**	**2 978**	**2 978**
Clinics	2 469	2 541	2 704	2 809	2 809	2 809	2 978	2 978	2 978
Ambulance									
Other									
Economic and environmental services	**10 628**	**10 313**	**9 922**	**10 913**	**10 913**	**10 913**	**11 986**	**12 863**	**13 780**
Planning and development	**1 984**	**2 491**	**2 613**	**2 910**	**2 910**	**2 910**	**2 990**	**3 174**	**3 354**
Economic Development/Planning	749	888	937	1 050	1 050	1 050	1 120	1 192	1 263
Town Planning/Building enforcement	1 234	1 602	1 676	1 860	1 860	1 860	1 870	1 982	2 091
Licensing & Regulation									
Road transport	**8 644**	**7 823**	**7 309**	**8 003**	**8 003**	**8 003**	**8 996**	**9 688**	**10 425**
Roads	343	(36)	31	1	1	1	1	1	1
Public Buses									
Parking Garages									
Vehicle Licensing and Testing	8 089	7 659	6 986	7 782	7 782	7 782	8 735	9 409	10 127
Other	213	200	292	220	220	220	260	278	298
Environmental protection	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Pollution Control									
Biodiversity & Landscape									
Other									
Trading services	**745 080**	**843 221**	**839 740**	**966 635**	**912 335**	**912 335**	**1 024 748**	**1 104 756**	**1 188 102**
Electricity	**480 748**	**540 172**	**529 055**	**608 861**	**568 861**	**568 861**	**651 594**	**708 914**	**768 821**
Electricity Distribution	480 748	540 172	529 055	608 861	568 861	568 861	651 594	708 914	768 821
Electricity Generation									
Water	**170 063**	**199 314**	**198 083**	**239 316**	**224 316**	**224 316**	**245 334**	**260 368**	**276 235**
Water Distribution	170 063	199 314	198 083	239 316	224 316	224 316	245 334	260 368	276 235
Water Storage									
Waste water management	**53 846**	**59 617**	**64 665**	**68 318**	**69 018**	**69 018**	**73 691**	**77 945**	**82 512**
Sewerage	53 846	59 617	64 665	68 318	69 018	69 018	73 691	77 945	82 512
Storm Water Management									
Public Toilets									
Waste management	**40 423**	**44 119**	**47 936**	**50 141**	**50 141**	**50 141**	**54 128**	**57 529**	**60 535**
Solid Waste	40 423	44 119	47 936	50 141	50 141	50 141	54 128	57 529	60 535
Other	**3 145**	**4 488**	**2 415**	**4 828**	**4 828**	**4 828**	**5 095**	**5 426**	**5 751**
Air Transport									
Abattoirs									
Tourism		212	(2 016)	72	72	72	109	116	122
Forestry									
Markets	3 145	4 276	4 432	4 756	4 756	4 756	4 986	5 310	5 629
Total Revenue - Standard	**1 358 958**	**1 555 880**	**1 662 522**	**1 737 337**	**1 806 306**	**1 806 306**	**1 813 496**	**1 930 325**	**2 060 214**
Expenditure - Standard									
Municipal governance and administration	**399 402**	**397 048**	**410 719**	**526 701**	**523 847**	**523 847**	**549 075**	**573 876**	**606 653**
Executive and council	285 642	275 221	275 661	366 399	359 119	359 119	373 797	387 508	409 617
Mayor and Council	274 560	263 925	262 838	349 887	342 607	342 607	357 023	369 728	390 859
Municipal Manager	11 083	11 296	12 823	16 512	16 512	16 512	16 774	17 780	18 758
Budget and treasury office	62 091	70 681	77 121	92 131	94 666	94 666	102 394	108 770	115 099
Corporate services	51 669	51 146	57 938	68 171	70 062	70 062	72 884	77 597	81 936
Human Resources	9 215	4 905	5 206	5 371	5 371	5 371	5 598	5 934	6 260

Information Technology	6 076	6 877	6 766	9 378	9 378	9 378	10 163	10 823	11 473
Property Services	1 907	1 896	1 866	2 171	2 171	2 171	2 004	2 124	2 241
Other Admin	34 470	37 468	44 100	51 250	53 142	53 142	55 119	58 716	61 962
Community and public safety	**150 687**	**168 786**	**181 879**	**197 169**	**248 555**	**248 555**	**213 033**	**226 229**	**239 350**
Community and social services	**48 752**	**54 598**	**60 195**	**68 817**	**68 817**	**68 817**	**75 318**	**79 556**	**83 693**
Libraries and Archives	8 254	9 759	11 033	15 399	15 399	15 399	16 331	16 968	17 594
Museums & Art Galleries etc									
Community halls and Facilities	1 820	2 060	2 221	2 254	2 254	2 254	2 458	2 605	2 749
Cemeteries & Crematoriums	10 102	11 571	12 342	13 512	13 512	13 512	14 486	15 418	16 334
Child Care									
Aged Care									
Other Community	28 576	31 209	34 599	37 652	37 652	37 652	42 043	44 564	47 017
Other Social									
Sport and recreation	35 940	39 792	41 576	41 162	41 412	41 412	44 245	46 705	49 096
Public safety	**32 565**	**39 315**	**40 759**	**48 346**	**48 346**	**48 346**	**51 465**	**55 330**	**59 345**
Police									
Fire	18 735	20 752	22 210	26 546	26 546	26 546	30 265	32 072	33 829
Civil Defence									
Street Lighting	13 830	18 563	18 549	21 800	21 800	21 800	21 200	23 258	25 516
Other									
Housing	**18 624**	**19 486**	**23 114**	**19 833**	**70 969**	**70 969**	**21 797**	**23 190**	**24 562**
Health	**14 805**	**15 596**	**16 236**	**19 010**	**19 010**	**19 010**	**20 208**	**21 448**	**22 654**
Clinics	14 805	15 596	16 236	19 010	19 010	19 010	20 208	21 448	22 654
Ambulance									
Other									
Economic and environmental services	**69 931**	**65 219**	**74 088**	**90 676**	**96 416**	**96 416**	**98 400**	**104 616**	**110 970**
Planning and development	**17 353**	**18 425**	**22 893**	**27 407**	**28 147**	**28 147**	**30 313**	**32 255**	**34 183**
Economic Development/Planning	10 577	11 217	10 628	16 105	16 105	16 105	17 097	18 250	19 412
Town Planning/Building enforcement	6 775	7 208	12 264	11 301	12 042	12 042	13 216	14 005	14 771
Licensing & Regulation									
Road transport	**52 578**	**46 794**	**51 195**	**63 269**	**68 269**	**68 269**	**68 087**	**72 362**	**76 787**
Roads	25 013	16 286	19 278	18 187	23 187	23 187	19 563	21 024	22 569
Public Buses									
Parking Garages									
Vehicle Licensing and Testing	6 497	7 433	8 088	9 533	9 533	9 533	10 520	11 152	11 805
Other	21 068	23 075	23 829	35 549	35 549	35 549	38 003	40 186	42 413
Environmental protection	–	–	–	–	–	–	–	–	–
Pollution Control									
Biodiversity & Landscape									
Other									
Trading services	**572 781**	**656 043**	**727 487**	**808 894**	**819 144**	**819 144**	**867 954**	**943 658**	**1 020 139**
Electricity	**382 944**	**430 581**	**463 369**	**526 015**	**520 515**	**520 515**	**568 128**	**620 993**	**675 514**
Electricity Distribution	382 944	430 581	463 369	526 015	520 515	520 515	568 128	620 993	675 514
Electricity Generation									
Water	**107 620**	**135 274**	**169 011**	**185 596**	**191 846**	**191 846**	**192 848**	**206 279**	**220 400**
Water Distribution	107 620	135 274	169 011	185 596	191 846	191 846	192 848	206 279	220 400
Water Storage									
Waste water management	**43 498**	**47 158**	**50 636**	**52 142**	**57 142**	**57 142**	**57 250**	**63 856**	**68 690**
Sewerage	42 266	45 803	49 099	50 291	55 291	55 291	55 315	61 805	66 526
Storm Water Management									
Public Toilets	1 232	1 356	1 538	1 851	1 851	1 851	1 935	2 051	2 164
Waste management	**38 719**	**43 030**	**44 470**	**45 141**	**49 641**	**49 641**	**49 728**	**52 529**	**55 535**
Solid Waste	38 719	43 030	44 470	45 141	49 641	49 641	49 728	52 529	55 535
Other	**7 634**	**8 215**	**9 390**	**9 145**	**9 145**	**9 145**	**9 881**	**10 503**	**11 116**
Air Transport									
Abattoirs									
Tourism	2 394	2 361	2 807	2 339	2 339	2 339	2 577	2 725	2 871
Forestry									
Markets	5 239	5 854	6 583	6 806	6 806	6 806	7 304	7 779	8 245
Total Expenditure - Standard	**1 200 434**	**1 295 311**	**1 403 563**	**1 632 584**	**1 697 106**	**1 697 106**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) for the year	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - EXECUTIVE AND COUNCIL	31	1 204	47	–	–	–	–	–	–
Vote 2 - MUNICIPAL AND GENERAL	292 676	321 236	384 798	300 330	369 354	369 354	282 294	276 450	278 839
Vote 3 - MUNICIPAL MANAGER	1 832	1 215	1 434	2 166	1 534	1 534	1 703	1 806	1 905
Vote 4 - CORPORATE SERVICES	3 414	3 806	7 275	6 552	8 144	8 144	7 382	8 120	8 563
Vote 5 - COMMUNITY SERVICES	23 540	23 519	34 696	33 457	35 607	35 607	40 381	42 278	44 184
Vote 6 - FINANCIAL SERVICES	279 712	346 424	379 124	411 367	411 367	411 367	439 006	477 787	518 380
Vote 7 - STRATEGY ECON DEVELOPMENT AND PL/	5 343	7 169	5 236	8 039	8 039	8 039	8 325	8 855	9 374
Vote 8 - INFRASTRUCTURE AND SERVICES	752 410	851 306	849 913	975 425	972 261	972 261	1 034 405	1 115 028	1 198 970
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	**1 358 958**	**1 555 880**	**1 662 522**	**1 737 337**	**1 806 306**	**1 806 306**	**1 813 496**	**1 930 325**	**2 060 214**
Expenditure by Vote ***to be appropriated***									
Vote 1 - EXECUTIVE AND COUNCIL	35 259	36 239	37 349	38 247	38 447	38 447	39 893	42 286	44 725
Vote 2 - MUNICIPAL AND GENERAL	239 300	227 686	225 489	311 639	304 159	304 159	317 131	327 442	346 134
Vote 3 - MUNICIPAL MANAGER	11 083	11 296	12 823	16 512	16 512	16 512	16 774	17 780	18 758
Vote 4 - CORPORATE SERVICES	43 686	42 373	49 306	56 621	58 513	58 513	60 717	64 650	68 222
Vote 5 - COMMUNITY SERVICES	124 729	138 170	148 305	165 068	165 318	165 318	180 556	190 933	201 076
Vote 6 - FINANCIAL SERVICES	68 167	77 558	83 887	101 510	104 044	104 044	112 557	119 593	126 572
Vote 7 - STRATEGY ECON DEVELOPMENT AND PL/	26 893	28 536	34 148	38 723	39 463	39 463	42 198	44 882	47 540
Vote 8 - INFRASTRUCTURE AND SERVICES	651 316	733 453	812 257	904 263	970 649	970 649	968 517	1 051 316	1 135 200
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	**1 200 434**	**1 295 311**	**1 403 563**	**1 632 584**	**1 697 106**	**1 697 106**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) for the year	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - EXECUTIVE AND COUNCIL	**31**	**1 204**	**47**	**–**	**–**	**–**	**–**	**–**	**–**
1.1 - EXECUTIVE AND COUNCIL	31	1 204	47				–	–	–
Vote 2 - MUNICIPAL AND GENERAL	**292 676**	**321 236**	**384 798**	**300 330**	**369 354**	**369 354**	**282 294**	**276 450**	**278 839**
2.1 - MUNICIPAL AND GENERAL	292 676	321 236	384 798	300 330	369 354	369 354	282 294	276 450	278 839
Vote 3 - MUNICIPAL MANAGER	**1 832**	**1 215**	**1 434**	**2 166**	**1 534**	**1 534**	**1 703**	**1 806**	**1 905**
3.1 - MUNICIPAL MANAGER	1 832	1 215	1 434	2 166	1 534	1 534	1 703	1 806	1 905
Vote 4 - CORPORATE SERVICES	**3 414**	**3 806**	**7 275**	**6 552**	**8 144**	**8 144**	**7 382**	**8 120**	**8 563**
4.1 - CORPORATE SERVICES	3 414	3 806	7 275	6 552	8 144	8 144	7 382	8 120	8 563
Vote 5 - COMMUNITY SERVICES	**23 540**	**23 519**	**34 696**	**33 457**	**35 607**	**35 607**	**40 381**	**42 278**	**44 184**
5.1 - COMMUNITY SERVICES	23 540	23 519	34 696	33 457	35 607	35 607	40 381	42 278	44 184
Vote 6 - FINANCIAL SERVICES	**279 712**	**346 424**	**379 124**	**411 367**	**411 367**	**411 367**	**439 006**	**477 787**	**518 380**
6.1 - FINANCIAL SERVICES	279 712	346 424	379 124	411 367	411 367	411 367	439 006	477 787	518 380
Vote 7 - STRATEGY ECON DEVELOPMENT AND PI	**5 343**	**7 169**	**5 236**	**8 039**	**8 039**	**8 039**	**8 325**	**8 855**	**9 374**
7.1 - STRATEGY ECON DEVELOPMENT AND PLAN	5 343	7 169	5 236	8 039	8 039	8 039	8 325	8 855	9 374
Vote 8 - INFRASTRUCTURE AND SERVICES	**752 410**	**851 306**	**849 913**	**975 425**	**972 261**	**972 261**	**1 034 405**	**1 115 028**	**1 198 970**
8.1 - INFRASTRUCTURE AND SERVICES	752 410	851 306	849 913	975 425	972 261	972 261	1 034 405	1 115 028	1 198 970
Total Revenue by Vote	**1 358 958**	**1 555 880**	**1 662 522**	**1 737 337**	**1 806 306**	**1 806 306**	**1 813 496**	**1 930 325**	**2 060 214**
Expenditure by Vote									
Vote 1 - EXECUTIVE AND COUNCIL	**35 259**	**36 239**	**37 349**	**38 247**	**38 447**	**38 447**	**39 893**	**42 286**	**44 725**
1.1 - EXECUTIVE AND COUNCIL	35 259	36 239	37 349	38 247	38 447	38 447	39 893	42 286	44 725
Vote 2 - MUNICIPAL AND GENERAL	**239 300**	**227 686**	**225 489**	**311 639**	**304 159**	**304 159**	**317 131**	**327 442**	**346 134**
2.1 - MUNICIPAL AND GENERAL	239 300	227 686	225 489	311 639	304 159	304 159	317 131	327 442	346 134
Vote 3 - MUNICIPAL MANAGER	**11 083**	**11 296**	**12 823**	**16 512**	**16 512**	**16 512**	**16 774**	**17 780**	**18 758**
3.1 - MUNICIPAL MANAGER	11 083	11 296	12 823	16 512	16 512	16 512	16 774	17 780	18 758
Vote 4 - CORPORATE SERVICES	**43 686**	**42 373**	**49 306**	**56 621**	**58 513**	**58 513**	**60 717**	**64 650**	**68 222**
4.1 - CORPORATE SERVICES	43 686	42 373	49 306	56 621	58 513	58 513	60 717	64 650	68 222
Vote 5 - COMMUNITY SERVICES	**124 729**	**138 170**	**148 305**	**165 068**	**165 318**	**165 318**	**180 556**	**190 933**	**201 076**
5.1 - COMMUNITY SERVICES	124 729	138 170	148 305	165 068	165 318	165 318	180 556	190 933	201 076
Vote 6 - FINANCIAL SERVICES	**68 167**	**77 558**	**83 887**	**101 510**	**104 044**	**104 044**	**112 557**	**119 593**	**126 572**
6.1 - FINANCIAL SERVICES	68 167	77 558	83 887	101 510	104 044	104 044	112 557	119 593	126 572
Vote 7 - STRATEGY ECON DEVELOPMENT AND PI	**26 893**	**28 536**	**34 148**	**38 723**	**39 463**	**39 463**	**42 198**	**44 882**	**47 540**
7.1 - STRATEGY ECON DEVELOPMENT AND PLAN	26 893	28 536	34 148	38 723	39 463	39 463	42 198	44 882	47 540
Vote 8 - INFRASTRUCTURE AND SERVICES	**651 316**	**733 453**	**812 257**	**904 263**	**970 649**	**970 649**	**968 517**	**1 051 316**	**1 135 200**
8.1 - INFRASTRUCTURE AND SERVICES	651 316	733 453	812 257	904 263	970 649	970 649	968 517	1 051 316	1 135 200
Total Expenditure by Vote	**1 200 434**	**1 295 311**	**1 403 563**	**1 632 584**	**1 697 106**	**1 697 106**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) for the year	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	271 038	331 348	368 225	397 946	397 946	397 946	–	423 808	461 721	501 361
Property rates - penalties & collection charges										
Service charges - electricity revenue	480 070	539 544	528 885	608 853	568 853	568 853	–	651 586	708 906	768 813
Service charges - water revenue	169 936	198 997	197 867	239 315	224 315	224 315	–	245 333	260 367	276 234
Service charges - sanitation revenue	52 962	58 667	63 601	67 187	67 887	67 887	–	72 545	76 730	81 230
Service charges - refuse revenue	37 731	41 221	44 695	46 841	46 841	46 841	–	50 428	53 607	56 397
Service charges - other	1		–							
Rental of facilities and equipment	12 416	14 253	17 795	17 606	17 606	17 606		19 182	20 370	21 520
Interest earned - external investments	8 565	15 240	21 413	12 000	16 000	16 000		16 000	20 000	22 000
Interest earned - outstanding debtors	30 424	32 108	56 744	45 000	65 000	65 000		50 000	49 000	47 000
Dividends received		–	–	–	–	–		–	–	–
Fines	5 424	4 652	11 554	7 635	11 635	11 635		10 419	11 037	11 637
Licences and permits	3 797	2 568	2 708	2 672	2 672	2 672		2 995	3 176	3 352
Agency services	3 603	4 860	4 339	4 900	4 900	4 900		5 800	6 298	6 844
Transfers recognised - operational	154 482	166 865	166 601	164 710	169 842	169 842		166 787	159 437	161 379
Other revenue	25 323	35 599	36 945	33 745	82 399	82 399	–	34 336	36 438	38 704
Gains on disposal of PPE	–	–	275	–	–			–	–	–
Total Revenue (excluding capital transfers and contributions)	**1 255 771**	**1 445 923**	**1 521 649**	**1 648 410**	**1 675 896**	**1 675 896**	**–**	**1 749 221**	**1 867 087**	**1 996 471**
Expenditure By Type										
Employee related costs	407 342	438 406	474 749	547 624	551 624	551 624	–	597 254	635 056	672 424
Remuneration of councillors	16 415	17 243	18 459	19 968	19 968	19 968		21 365	22 647	24 006
Debt impairment	103 688	110 819	126 810	145 000	145 000	145 000		161 000	174 300	187 126
Depreciation & asset impairment	38 888	42 949	41 988	52 550	52 550	52 550	–	53 600	60 019	64 678
Finance charges	17 088	24 694	28 056	36 559	34 559	34 559		29 790	28 514	26 779
Bulk purchases	290 022	347 076	381 005	422 000	425 000	425 000	–	461 000	505 780	554 932
Other materials	68 422	68 982	64 257	87 135	90 735	90 735		81 503	88 481	94 963
Contracted services	–	–	–	–	–	–	–	–	–	–
Transfers and grants	2 907	2 623	19 564	54 750	55 370	55 370	–	55 050	58 300	61 495
Other expenditure	253 694	241 490	248 674	266 997	322 300	322 300	–	277 780	285 785	301 826
Loss on disposal of PPE	1 968	1 030	–	–	–	–		–	–	–
Total Expenditure	**1 200 434**	**1 295 311**	**1 403 563**	**1 632 584**	**1 697 106**	**1 697 106**	**–**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit)	**55 337**	**150 612**	**118 086**	**15 826**	**(21 210)**	**(21 210)**	**–**	**10 878**	**8 205**	**8 243**
Transfers recognised - capital	103 187	109 958	140 153	88 927	130 411	130 411		64 276	63 238	63 743
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributed assets			721		–	–				
Surplus/(Deficit) after capital transfers & contributions	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**–**	**75 154**	**71 443**	**71 986**
Taxation										
Surplus/(Deficit) after taxation	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**–**	**75 154**	**71 443**	**71 986**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**–**	**75 154**	**71 443**	**71 986**
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	**158 525**	**260 569**	**258 960**	**104 754**	**109 200**	**109 200**	**–**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote										
Multi-year expenditure *to be appropriated*										
Vote 1 - EXECUTIVE AND COUNCIL	–	–	–	–	–	–	–	–	–	–
Vote 2 - MUNICIPAL AND GENERAL	–	–	–	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER	–	–	–	–	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES	–	–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES	–	–	–	12 994	24 614	24 614	–	–	–	–
Vote 6 - FINANCIAL SERVICES	–	–	–	–	–	–	–	–	–	–
Vote 7 - STRATEGY ECON DEVELOPMENT AND Pl	–	–	–	–	–	–	–	–	–	–
Vote 8 - INFRASTRUCTURE AND SERVICES	110 668	130 795	9 409	74 774	74 774	74 774	–	45 053	27 812	3 876
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	**110 668**	**130 795**	**9 409**	**87 769**	**99 389**	**99 389**	**–**	**45 053**	**27 812**	**3 876**
Single-year expenditure *to be appropriated*										
Vote 1 - EXECUTIVE AND COUNCIL	3 566	3 324	1 333	–	–	–	–	3 000	3 000	3 000
Vote 2 - MUNICIPAL AND GENERAL	394	–	1 030	–	–	–	–	–	–	–
Vote 3 - MUNICIPAL MANAGER	77	–	55	–	–	–	–	–	–	–
Vote 4 - CORPORATE SERVICES	1 226	–	285	–	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES	984	35 349	6 727	–	–	–	–	15 096	9 136	966
Vote 6 - FINANCIAL SERVICES	685	1 923	3 192	1 000	5 300	5 300	–	4 500	1 500	2 000
Vote 7 - STRATEGY ECON DEVELOPMENT AND Pl	10 693	2 178	5 292	10 250	9 338	9 338	–	9 100	13 800	12 600
Vote 8 - INFRASTRUCTURE AND SERVICES	–	5 718	211 086	32 164	136 200	136 200	–	34 960	46 372	62 204
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	**17 625**	**48 493**	**229 000**	**43 414**	**150 838**	**150 838**	**–**	**66 656**	**73 808**	**80 770**
Total Capital Expenditure - Vote	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**–**	**111 709**	**101 620**	**84 646**
Capital Expenditure - Standard										
Governance and administration	**2 455**	**5 247**	**6 554**	**1 000**	**5 300**	**5 300**	**–**	**7 500**	**4 500**	**5 000**
Executive and council	544	3 324	2 418		2 500	2 500		3 000	3 000	3 000
Budget and treasury office	685	1 923	4 137	1 000	2 800	2 800		4 500	1 500	2 000
Corporate services	1 226									
Community and public safety	**6 334**	**35 349**	**11 751**	**12 994**	**15 614**	**15 614**	**–**	**15 096**	**9 136**	**966**
Community and social services	902	35 349	6 727	12 994	15 614	15 614		14 096	442	–
Sport and recreation	5 432				–	–				
Public safety								1 000	8 694	966
Housing			5 024							
Health										
Economic and environmental services	**10 745**	**2 178**	**51 654**	**10 250**	**68 993**	**68 993**	**–**	**9 100**	**13 800**	**28 591**
Planning and development	10 693	2 178	5 292	10 250	9 338	9 338		9 100	13 800	12 600
Road transport	53		46 362		59 655	59 655		–	–	15 991
Environmental protection										
Trading services	**108 362**	**126 618**	**161 666**	**94 938**	**144 819**	**144 819**	**–**	**76 012**	**70 184**	**46 089**
Electricity	13 180	43 231	65 072	3 000	20 281	20 281		11 500	6 045	5 046
Water	16 622	50 178	20 195	29 164	35 369	35 369		15 460	36 781	38 217
Waste water management	76 913	33 209	74 280	62 774	87 169	87 169		49 053	27 359	2 825
Waste management	1 647		2 120		2 000	2 000				
Other	**395**	**9 896**	**6 783**	**12 000**	**15 500**	15 500		**4 000**	**4 000**	**4 000**
Total Capital Expenditure - Standard	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**–**	**111 709**	**101 620**	**84 646**
Funded by:										
National Government	58 329	97 644	99 126	78 677	78 677	78 677		64 276	63 238	63 743
Provincial Government	3 604	3 240	36 743	10 250	46 733	46 733				
District Municipality	2 218	1 306	4 284		5 000	5 000				
Other transfers and grants	21 446	7 768								
Transfers recognised - capital	**85 596**	**109 958**	**140 153**	**88 927**	**130 411**	**130 411**	**–**	**64 276**	**63 238**	**63 743**
Public contributions & donations										
Borrowing	36 327	57 073	64 803							
Internally generated funds	6 369	12 258	33 452	42 255	119 816	119 816		47 433	38 382	20 903
Total Capital Funding	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**–**	**111 709**	**101 620**	**84 646**

NC091 Sol Plaatje - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Municipal Vote										
Multi-year expenditure appropriation										
Vote 1 - EXECUTIVE AND COUNCIL	–	–	–	–	–	–	–	–	–	–
1.1 - EXECUTIVE AND COUNCIL								–	–	–
Vote 2 - MUNICIPAL AND GENERAL	–	–	–	–	–	–	–	–	–	–
2.1 - MUNICIPAL AND GENERAL								–	–	–
Vote 3 - MUNICIPAL MANAGER	–	–	–	–	–	–	–	–	–	–
3.1 - MUNICIPAL MANAGER								–	–	–
Vote 4 - CORPORATE SERVICES	–	–	–	–	–	–	–	–	–	–
4.1 - CORPORATE SERVICES								–	–	–
Vote 5 - COMMUNITY SERVICES	–	–	–	**12 994**	**24 614**	**24 614**	–	–	–	–
5.1 - COMMUNITY SERVICES				12 994	24 614	24 614		–	–	–
Vote 6 - FINANCIAL SERVICES	–	–	–	–	–	–	–	–	–	–
6.1 - FINANCIAL SERVICES								–	–	–
Vote 7 - STRATEGY ECON DEVELOPMENT AND PI	–	–	–	–	–	–	–	–	–	–
7.1 - STRATEGY ECON DEVELOPMENT AND PLANNING								–	–	–
Vote 8 - INFRASTRUCTURE AND SERVICES	**110 668**	**130 795**	**9 409**	**74 774**	**74 774**	**74 774**	–	**45 053**	**27 812**	**3 876**
8.1 - INFRASTRUCTURE AND SERVICES	110 668	130 795	9 409	74 774	74 774	74 774		**45 053**	**27 812**	**3 876**
Capital multi-year expenditure sub-total	**110 668**	**130 795**	**9 409**	**87 769**	**99 389**	**99 389**	–	**45 053**	**27 812**	**3 876**

NC091 Sol Plaatje - Table A6 Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Current assets										
Cash				–						
Call investment deposits	171 931	336 560	320 607	262 936	262 936	262 936	–	240 000	265 916	326 737
Consumer debtors	173 768	209 465	260 972	226 537	226 537	226 537	–	287 621	296 249	297 731
Other debtors	161 969	226 316	315 560	240 670	240 670	240 670		317 716	325 663	327 297
Current portion of long-term receivables				–						
Inventory	21 257	19 281	23 407	21 664	21 664	21 664		25 280	26 796	28 404
Total current assets	**528 924**	**791 622**	**920 546**	**751 806**	**751 806**	**751 806**	**–**	**870 617**	**914 625**	**980 168**
Non current assets										
Long-term receivables	1 779	4 119	836	4 628	4 628	4 628		–	–	–
Investments										
Investment property	183 760	201 986	201 756	190 000	190 000	190 000		200 747	202 754	204 782
Investment in Associate										
Property, plant and equipment	930 094	1 084 340	1 281 007	1 377 415	1 377 415	1 377 415	–	1 477 512	1 535 620	1 577 221
Agricultural										
Biological										
Intangible	4 922	2 607	1 098	2 874	2 874	2 874		1 153	1 211	1 284
Other non-current assets	6 802	6 802	6 802	6 802	6 802	6 802		7 630	7 622	7 613
Total non current assets	**1 127 357**	**1 299 855**	**1 491 500**	**1 581 719**	**1 581 719**	**1 581 719**	**–**	**1 687 042**	**1 747 207**	**1 790 900**
TOTAL ASSETS	**1 656 281**	**2 091 477**	**2 412 046**	**2 333 525**	**2 333 525**	**2 333 525**	**–**	**2 557 659**	**2 661 832**	**2 771 068**
LIABILITIES										
Current liabilities										
Bank overdraft	11 645	12 595	15 408	12 444	12 444	12 444		16 640	15 808	14 702
Borrowing	9 472	20 255	22 372	11 051	11 051	11 051	–	10 878	8 205	8 243
Consumer deposits	14 098	15 318	16 684	18 113	18 113	18 113		18 353	20 004	21 805
Trade and other payables	150 285	197 349	193 082	180 679	180 679	180 679	–	217 493	234 370	252 193
Provisions	5 209	6 786	7 465	8 039	8 039	8 039		8 398	9 028	9 615
Total current liabilities	**190 709**	**252 302**	**255 011**	**230 326**	**230 326**	**230 326**	**–**	**271 762**	**287 415**	**306 557**
Non current liabilities										
Borrowing	156 472	195 337	237 719	214 736	214 736	214 736	–	226 841	207 758	191 311
Provisions	196 396	227 798	244 316	287 705	287 705	287 705	–	274 856	307 305	342 404
Total non current liabilities	**352 868**	**423 135**	**482 036**	**502 441**	**502 441**	**502 441**	**–**	**501 697**	**515 063**	**533 715**
TOTAL LIABILITIES	**543 577**	**675 437**	**737 046**	**732 767**	**732 767**	**732 767**	**–**	**773 459**	**802 478**	**840 272**
NET ASSETS	**1 112 704**	**1 416 040**	**1 674 999**	**1 600 758**	**1 600 758**	**1 600 758**	**–**	**1 784 200**	**1 859 354**	**1 930 797**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	1 067 468	1 284 325	1 553 953	1 569 658	1 569 658	1 569 658		1 698 400	1 772 354	1 850 597
Reserves	45 236	131 715	121 046	31 100	31 100	31 100	–	85 800	87 000	80 200
Minorities' interests										
TOTAL COMMUNITY WEALTH/EQUITY	**1 112 704**	**1 416 040**	**1 674 999**	**1 600 758**	**1 600 758**	**1 600 758**	**–**	**1 784 200**	**1 859 354**	**1 930 797**

NC091 Sol Plaatje - Table A7 Budgeted Cash Flows

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges	1 062 300	1 230 692	1 139 194	1 302 790	1 192 085	1 192 085		377 189	409 546	445 710
Service charges								904 447	973 155	1 052 580
Other revenue								67 523	71 800	76 239
Government - operating	154 482	166 865	166 601	164 710	169 842	169 842		166 787	159 437	161 379
Government - capital	98 078	109 958	140 153	88 927	130 411	130 411		64 276	63 238	63 743
Interest	38 989	47 282	78 157	23 250	81 000	81 000		26 000	29 800	35 160
Dividends				–	–	–		–	–	–
Payments										
Suppliers and employees	(1 172 366)	(1 225 192)	(1 316 503)	(1 378 985)	(1 322 017)	(1 322 017)		(1 438 903)	(1 537 750)	(1 648 151)
Finance charges	(17 088)	(24 694)	(28 056)	(36 559)	(34 559)	(34 559)		(29 790)	(28 514)	(26 779)
Transfers and Grants	(2 907)	(2 623)	(4 403)	(4 750)	(5 370)	(5 370)		(5 050)	(5 050)	(5 050)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**161 488**	**302 288**	**175 143**	**159 383**	**211 391**	**211 391**	**–**	**132 479**	**135 663**	**154 830**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–	–	–
Decrease (Increase) in non-current debtors								–	–	–
Decrease (increase) other non-current receivables								–	–	–
Decrease (increase) in non-current investments								–	–	–
Payments										
Capital assets	(128 292)	(179 288)	(238 409)	(131 183)	(250 226)	(250 226)		(111 709)	(101 620)	(84 646)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(128 292)**	**(179 288)**	**(238 409)**	**(131 183)**	**(250 226)**	**(250 226)**	**–**	**(111 709)**	**(101 620)**	**(84 646)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–	–	–
Borrowing long term/refinancing	73 316	57 073	64 803					–	–	–
Increase (decrease) in consumer deposits				1 263	–	–		–	–	–
Payments										
Repayment of borrowing	(6 798)	(16 393)	(20 303)	(15 827)	(15 827)	(15 827)		(10 878)	(8 205)	(8 243)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**66 517**	**40 680**	**44 500**	**(14 564)**	**(15 827)**	**(15 827)**	**–**	**(10 878)**	**(8 205)**	**(8 243)**
NET INCREASE/ (DECREASE) IN CASH HELD	**99 714**	**163 680**	**(18 766)**	**13 637**	**(54 661)**	**(54 661)**	**–**	**9 892**	**25 839**	**61 942**
Cash/cash equivalents at the year begin:	**60 571**	**160 285**	**323 965**	**236 901**	**305 199**	**305 199**		**214 492**	**224 384**	**250 222**
Cash/cash equivalents at the year end:	**160 285**	**323 965**	**305 199**	**250 538**	**250 538**	**250 538**	**–**	**224 384**	**250 222**	**312 164**

NC091 Sol Plaatje - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available										
Cash/cash equivalents at the year end	160 285	323 965	305 199	250 538	250 538	250 538	–	224 384	250 222	312 164
Other current investments > 90 days	–	–	0	(46)	(46)	(46)	–	(1 024)	(114)	(129)
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	**160 285**	**323 965**	**305 199**	**250 492**	**250 492**	**250 492**	**–**	**223 360**	**250 108**	**312 035**
Application of cash and investments										
Unspent conditional transfers	7 220	35 106	2 594	–	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–		–	–	–
Statutory requirements										
Other working capital requirements	(197 558)	(282 657)	(323 713)	(253 648)	(213 447)	(213 447)	–	(326 358)	(323 429)	(311 090)
Other provisions										
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	45 236	131 715	121 046	31 100	31 100	31 100		85 800	87 000	80 200
Total Application of cash and investments:	**(145 102)**	**(115 836)**	**(200 072)**	**(222 548)**	**(182 347)**	**(182 347)**	**–**	**(240 558)**	**(236 429)**	**(230 890)**
Surplus(shortfall)	**305 387**	**439 801**	**505 272**	**473 040**	**432 839**	**432 839**	**–**	**463 918**	**486 536**	**542 925**

NC091 Sol Plaatje - Table A9 Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE									
Total New Assets	**121 199**	**123 156**	**87 123**	**29 994**	**100 669**	**100 669**	**34 271**	**71 178**	**53 655**
Infrastructure - Road transport	53	–	9 687	–	17 155	17 155	–	–	–
Infrastructure - Electricity	13 180	28 231	15 553	–	7 000	7 000	7 000	3 045	2 046
Infrastructure - Water	9 889	44 178	19 186	12 000	18 205	18 205	10 460	31 781	33 217
Infrastructure - Sanitation	78 306	–	15 374	–	29 395	29 395	1 000	12 359	2 825
Infrastructure - Other	–	–	2 120	–	1 000	1 000	–	–	–
Infrastructure	*101 427*	*72 409*	*61 920*	*12 000*	*72 755*	*72 755*	*18 460*	*47 184*	*38 089*
Community	10 810	35 349	1 952	12 994	18 614	18 614	2 211	8 694	966
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	8 961	15 398	23 043	5 000	9 300	9 300	13 600	15 300	14 600
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	208	–	–	–	–	–	–
Total Renewal of Existing Assets	**7 094**	**56 132**	**151 286**	**101 188**	**149 557**	**149 557**	**77 438**	**30 442**	**30 991**
Infrastructure - Road transport	–	–	41 853	–	42 500	42 500	–	–	15 991
Infrastructure - Electricity	–	15 000	49 519	3 000	13 281	13 281	4 500	3 000	3 000
Infrastructure - Water	6 733	6 000	1 008	17 164	17 164	17 164	5 000	5 000	5 000
Infrastructure - Sanitation	–	33 209	58 906	62 774	57 774	57 774	48 053	15 000	–
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Infrastructure	*6 733*	*54 209*	*151 286*	*82 938*	*130 719*	*130 719*	*57 553*	*23 000*	*23 991*
Community	–	–	–	–	–	–	12 885	442	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	361	1 923	–	18 250	18 838	18 838	7 000	7 000	7 000
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	53	–	51 540	–	59 655	59 655	–	–	15 991
Infrastructure - Electricity	13 180	43 231	65 072	3 000	20 281	20 281	11 500	6 045	5 046
Infrastructure - Water	16 622	50 178	20 195	29 164	35 369	35 369	15 460	36 781	38 217
Infrastructure - Sanitation	78 306	33 209	74 280	62 774	87 169	87 169	49 053	27 359	2 825
Infrastructure - Other	–	–	2 120	–	1 000	1 000	–	–	–
Infrastructure	*108 160*	*126 618*	*213 206*	*94 938*	*203 474*	*203 474*	*76 012*	*70 184*	*62 080*
Community	10 810	35 349	1 952	12 994	18 614	18 614	15 096	9 136	966
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	9 322	17 321	23 043	23 250	28 138	28 138	20 600	22 300	21 600
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	208	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**128 292**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**111 709**	**101 620**	**84 646**
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	205 053	185 660	224 312				283 967	274 893	281 604
Infrastructure - Electricity	94 101	127 332	189 824				210 105	216 150	217 668
Infrastructure - Water	101 315	148 328	165 407				180 866	213 967	247 912
Infrastructure - Sanitation	182 401	211 791	281 922				330 974	342 535	345 360
Infrastructure - Other		57 484	61 229	1 377 415	1 377 415	1 377 415	58 975	62 615	59 017
Infrastructure	*582 869*	*730 596*	*922 693*	*1 377 415*	*1 377 415*	*1 377 415*	*1 064 887*	*1 110 159*	*1 151 561*
Community	311 393	295 928	298 533				332 244	322 779	301 378
Heritage assets									
Investment properties	183 760	201 986	201 756	190 000	190 000	190 000	200 747	202 754	204 782
Other assets	35 832	57 817	59 781				80 381	102 681	124 281
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4 922	2 607	1 098	2 874	2 874	2 874	1 153	1 211	1 284
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**1 118 776**	**1 288 933**	**1 483 861**	**1 570 289**	**1 570 289**	**1 570 289**	**1 679 412**	**1 739 585**	**1 783 287**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	38 888	42 949	41 988	52 550	52 550	52 550	53 600	60 019	64 678
Repairs and Maintenance by Asset Class	68 422	68 982	64 257	87 136	90 736	90 736	81 503	88 481	94 963
Infrastructure - Road transport	16 896	18 197	13 833	15 376	17 376	17 376	14 071	15 197	16 412
Infrastructure - Electricity	20 228	21 672	19 173	16 579	16 579	16 579	23 861	26 058	28 265
Infrastructure - Water	18 555	15 000	14 391	29 037	27 037	27 037	25 157	26 543	27 998
Infrastructure - Sanitation	–	–	7 367	6 449	9 449	9 449	6 542	8 635	9 716
Infrastructure - Other	–	–	714	4 650	4 650	4 650	4 800	5 040	5 492
Infrastructure	*55 679*	*54 869*	*55 478*	*72 091*	*75 091*	*75 091*	*74 431*	*81 472*	*87 883*
Community	10 576	11 716	7 762	9 890	10 140	10 140	5 648	5 829	6 203
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	2 167	2 397	1 017	5 155	5 505	5 505	1 424	1 180	877
TOTAL EXPENDITURE OTHER ITEMS	**107 310**	**111 931**	**106 245**	**139 686**	**143 286**	**143 286**	**135 103**	**148 500**	**159 640**
Renewal of Existing Assets as % of total capex	*5.5%*	*31.3%*	*63.5%*	*77.1%*	*59.8%*	*59.8%*	*69.3%*	*30.0%*	*36.6%*
Renewal of Existing Assets as % of deprecn"	*18.2%*	*130.7%*	*360.3%*	*192.6%*	*284.6%*	*284.6%*	*144.5%*	*50.7%*	*47.9%*
R&M as a % of PPE	*7.4%*	*6.4%*	*5.0%*	*6.3%*	*6.6%*	*6.6%*	*5.5%*	*5.8%*	*6.0%*
Renewal and R&M as a % of PPE	*7.0%*	*10.0%*	*15.0%*	*12.0%*	*15.0%*	*15.0%*	*9.0%*	*7.0%*	*7.0%*

NC091 Sol Plaatje - Table A10 Basic service delivery measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	43 064	52 832	52 910	53 802	53 802	53 802	55 746	57 406	58 098
Piped water inside yard (but not in dwelling)									
Using public tap (at least min.service level)									
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	43 064	52 832	52 910	53 802	53 802	53 802	55 746	57 406	58 098
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply	7 465	7 465	7 387	6 495	6 495	6 495	6 995	7 595	8 095
Below Minimum Service Level sub-total	7 465	7 465	7 387	6 495	6 495	6 495	6 995	7 595	8 095
Total number of households	**50 529**	**60 297**	**60 297**	**60 297**	**60 297**	**60 297**	**62 741**	**65 001**	**66 193**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	41 186	51 741	53 097	53 989	53 989	53 989	55 746	57 406	58 098
Flush toilet (with septic tank)									
Chemical toilet									
Pit toilet (ventilated)									
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	41 186	51 741	53 097	53 989	53 989	53 989	55 746	57 406	58 098
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions	9 343	8 556	7 200	6 308	6 308	6 308	6 995	7 595	8 095
Below Minimum Service Level sub-total	9 343	8 556	7 200	6 308	6 308	6 308	6 995	7 595	8 095
Total number of households	**50 529**	**60 297**	**60 297**	**60 297**	**60 297**	**60 297**	**62 741**	**65 001**	**66 193**
Energy:									
Electricity (at least min.service level)	3 306	12 742	12 727	12 941	12 941	12 941	11 700	6 000	1 000
Electricity - prepaid (min.service level)	38 096	38 948	40 663	40 663	40 663	40 663	45 884	51 584	56 584
Minimum Service Level and Above sub-total	41 402	51 690	53 390	53 604	53 604	53 604	57 584	57 584	57 584
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources	9 127	8 607	6 907	6 693	6 693	6 693	5 157	7 417	8 609
Below Minimum Service Level sub-total	9 127	8 607	6 907	6 693	6 693	6 693	5 157	7 417	8 609
Total number of households	**50 529**	**60 297**	**60 297**	**60 297**	**60 297**	**60 297**	**62 741**	**65 001**	**66 193**
Refuse:									
Removed at least once a week	41 039	50 807	51 407	52 007	52 007	52 007	52 607	53 107	54 107
Minimum Service Level and Above sub-total	41 039	50 807	51 407	52 007	52 007	52 007	52 607	53 107	54 107
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal	9 490	9 490	8 890	8 290	8 290	8 290	10 134	11 894	12 086
Below Minimum Service Level sub-total	9 490	9 490	8 890	8 290	8 290	8 290	10 134	11 894	12 086
Total number of households	**50 529**	**60 297**	**60 297**	**60 297**	**60 297**	**60 297**	**62 741**	**65 001**	**66 193**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	62 000	5 280	5 942	12 000	12 000	12 000	12 000	12 000	12 000
Sanitation (free minimum level service)	27 000	5 280	5 942	12 000	12 000	12 000	12 000	12 000	12 000
Electricity/other energy (50kwh per household per mo	27 000	5 280	5 942	12 000	12 000	12 000	12 000	12 000	12 000
Refuse (removed at least once a week)	27 000	5 280	5 942	12 000	12 000	12 000	12 000	12 000	12 000
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	65 303	1 267	1 426	4 329	4 329	4 329	3 843	4 077	4 328
Sanitation (free sanitation service)	32 470	6 086	7 296	18 831	18 831	18 831	16 713	17 677	18 712
Electricity/other energy (50kwh per household per mo	35 640	3 106	3 495	10 045	10 045	10 045	8 452	9 196	9 973
Refuse (removed once a week)	23 647	4 352	5 235	13 436	13 436	13 436	11 924	12 676	13 336
Total cost of FBS provided (minimum social package)	**157 060**	**14 811**	**17 453**	**46 640**	**46 640**	**46 640**	**40 932**	**43 626**	**46 350**
Highest level of free service provided									
Property rates (R value threshold)	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)				–	–	–			
Sanitation (Rand per household per month)	100	110	117	124	124	124	132	140	148
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	21	21	21	21	21	21	21	21	21
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	65 604	73 564	80 124	85 724	85 724	85 724	73 321	79 883	86 745
Property rates (other exemptions, reductions and rebates)					–	–			
Water	65 303	1 267	1 426	4 329	4 329	4 329	3 843	4 077	4 328
Sanitation	32 470	6 086	7 296	18 831	18 831	18 831	16 713	17 677	18 712
Electricity/other energy	35 640	3 106	3 495	10 045	10 045	10 045	8 452	9 196	9 973
Refuse	23 647	4 352	5 235	13 436	13 436	13 436	11 924	12 676	13 336
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	**222 664**	**88 375**	**97 577**	**132 364**	**132 364**	**132 364**	**114 253**	**123 509**	**133 095**

NC091 Sol Plaatje - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
REVENUE ITEMS:										
Property rates										
Total Property Rates	271 038	331 348	368 225	397 946	397 946	397 946		423 808	461 721	501 361
less Revenue Foregone										
Net Property Rates	**271 038**	**331 348**	**368 225**	**397 946**	**397 946**	**397 946**	**–**	**423 808**	**461 721**	**501 361**
Service charges - electricity revenue										
Total Service charges - electricity revenue	480 070	539 544	528 885	608 853	568 853	568 853		651 586	708 906	768 813
less Revenue Foregone										
Net Service charges - electricity revenue	**480 070**	**539 544**	**528 885**	**608 853**	**568 853**	**568 853**	**–**	**651 586**	**708 906**	**768 813**
Service charges - water revenue										
Total Service charges - water revenue	**169 936**	**198 997**	**197 867**	**239 315**	**224 315**	**224 315**		**245 333**	**260 367**	**276 234**
less Revenue Foregone										
Net Service charges - water revenue	**169 936**	**198 997**	**197 867**	**239 315**	**224 315**	**224 315**	**–**	**245 333**	**260 367**	**276 234**
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	**52 962**	**58 667**	**63 601**	**67 187**	**67 887**	**67 887**		**72 545**	**76 730**	**81 230**
less Revenue Foregone										
Net Service charges - sanitation revenue	**52 962**	**58 667**	**63 601**	**67 187**	**67 887**	**67 887**	**–**	**72 545**	**76 730**	**81 230**
Service charges - refuse revenue										
Total refuse removal revenue	37 731	41 221	44 695	46 841	46 841	46 841		50 428	53 607	56 397
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue	**37 731**	**41 221**	**44 695**	**46 841**	**46 841**	**46 841**	**–**	**50 428**	**53 607**	**56 397**
Other Revenue by source										
List other revenue by source										
Fuel levy										
Other revenue	6 078	8 189	11 161	4 112	5 362	5 362		4 159	4 388	4 615
Disconnect & Reconnect Electricity	2 543	9 907	5 720	9 500	9 500	9 500		11 000	11 715	12 418
Miscellaneous revenue	6 949	6 241	5 792	6 864	55 267	55 267		5 578	5 918	6 462
Dues	3 102	3 475	3 812	3 900	3 900	3 900		4 280	4 558	4 832
Fees / Premium	2 759	2 732	2 647	2 996	2 996	2 996		2 966	3 133	3 293
Burial fees	1 323	1 472	1 494	1 750	1 750	1 750		1 800	1 899	1 994
Building and search fees	990	1 372	1 354	1 600	1 600	1 600		1 600	1 696	1 789
Admission fees	507	541	392	1 022	1 022	1 022		1 087	1 153	1 216
Pail removal fees	697	877	944	950	950	950		950	1 007	1 062
Income of Sentrum	375	792	3 630	1 051	51	51		916	971	1 024
Total 'Other' Revenue	**25 323**	**35 599**	**36 945**	**33 745**	**82 399**	**82 399**	**–**	**34 336**	**36 438**	**38 704**
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	223 950	238 717	254 505	300 343	302 843	302 843		325 103	345 043	364 512
Pension and UIF Contributions	34 853	36 431	56 225	48 739	48 739	48 739		52 873	56 114	59 280
Medical Aid Contributions	28 401	30 717	29 989	37 241	37 241	37 241		39 475	41 914	44 297
Overtime	14 638	18 532	21 433	17 549	19 049	19 049		17 635	18 707	19 751
Performance Bonus		–		–	–	–		–	–	–
Motor Vehicle Allowance	23 666	27 587	30 859	29 929	29 929	29 929		39 687	42 133	44 521
Cellphone Allowance		–		–	–	–		–	–	–
Housing Allowances	1 904	1 928	1 671	2 002	2 002	2 002		1 969	2 090	2 208
Other benefits and allowances	34 027	42 136	40 556	48 512	48 512	48 512		55 207	58 579	61 877
Payments in lieu of leave	6 289	–	8 737	7 500	7 500	7 500		10 000	10 650	11 289
Long service awards	7 657	8 411	9 105	11 404	11 404	11 404		12 411	13 169	13 909
Post-retirement benefit obligations	31 957	33 947	21 669	44 406	44 406	44 406		42 894	46 656	50 779
sub-total	**407 342**	**438 406**	**474 749**	**547 624**	**551 624**	**551 624**	**–**	**597 254**	**635 056**	**672 424**
Less: Employees costs capitalised to PPE										
Total Employee related costs	**407 342**	**438 406**	**474 749**	**547 624**	**551 624**	**551 624**	**–**	**597 254**	**635 056**	**672 424**
Contributions recognised - capital										
List contributions by contract										
Total Contributions recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	38 888	42 949	41 988	52 550	52 550	52 550		53 600	60 019	64 678
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	**38 888**	**42 949**	**41 988**	**52 550**	**52 550**	**52 550**	**–**	**53 600**	**60 019**	**64 678**
Bulk purchases										
Electricity Bulk Purchases	269 731	302 662	314 781	362 000	357 000	357 000		395 000	434 500	477 950
Water Bulk Purchases	20 291	44 414	66 224	60 000	68 000	68 000		66 000	71 280	76 982
Total bulk purchases	**290 022**	**347 076**	**381 005**	**422 000**	**425 000**	**425 000**	**–**	**461 000**	**505 780**	**554 932**
Transfers and grants										
Cash transfers and grants	2 907	2 623	4 253	4 750	5 370	5 370	–	5 050	5 050	5 050
Non-cash transfers and grants	–	–	15 311	50 000	50 000	50 000	–	50 000	53 250	56 445
Total transfers and grants	**2 907**	**2 623**	**19 564**	**54 750**	**55 370**	**55 370**	**–**	**55 050**	**58 300**	**61 495**
Contracted services										
List services provided by contract										
sub-total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other Expenditure By Type										
Collection costs	59	1 589	998	1 800	1 800	1 800		1 800	1 917	2 032
Contributions to 'other' provisions										
Consultant fees										
Audit fees	4 048	3 293	4 375	4 900	4 900	4 900		5 200	5 538	5 870
General expenses	85 870	47 837	41 361	27 764	83 033	83 033		28 584	30 133	31 711
Loss on PPE	1 968	1 030	–							
Electricity Consumption	39 530	38 555	45 631	51 599	51 599	51 599		52 464	57 097	62 082
Discount on early payment	7 201	22 727	23 908	33 000	33 000	33 000		33 000	35 145	37 254
Professional Fees	19 188	24 038	24 416	25 096	25 096	25 096		27 602	29 128	30 628
Projects and Counter funding	14 807	20 980	20 055	37 334	37 334	37 334		38 788	36 872	37 755
Protective clothing and Uniforms	2 575	2 541	2 586	3 068	3 068	3 068		3 616	3 823	4 026
Fuel-Petrol	9 201	8 565	11 592	13 358	13 392	13 392		14 139	14 916	15 689
Conference and Seminars	5 328	6 227	8 422	7 345	7 345	7 345		8 357	8 878	9 388
Clarification/Purification	5 273	4 942	6 615	6 706	6 706	6 706		7 222	7 622	8 041
Telephone & Communication Exp	5 649	4 818	4 382	6 353	6 353	6 353		6 499	6 889	7 271
Job Creation Cleaning Project	6 836	6 432	4 409	6 000	6 000	6 000		6 000	6 000	6 000
Printing and Sationery	4 599	4 443	5 413	5 918	5 918	5 918		6 469	6 863	7 249
Projects EPWP	11 462	9 379	11 646	5 330	5 330	5 330		4 984	–	–
Course Fees/Central Train FD	3 671	4 041	4 325	4 826	4 826	4 826		5 158	5 492	5 819
Membership Fees	2 946	3 721	4 117	4 412	4 412	4 412		4 952	5 267	5 577
Water	11 592	13 180	10 176	4 344	4 344	4 344		4 855	5 102	5 343
Ward Committee Activities	3 801	4 290	3 538	3 800	3 800	3 800		3 800	4 028	4 250
Insurance	2 878	3 368	3 885	3 753	3 753	3 753		3 893	4 104	4 311
Purchase Furn & Equip < R10 000	735	342	547	3 321	3 321	3 321		3 274	3 476	3 674
Stores and Materials	1 508	1 589	1 592	2 276	2 276	2 276		2 278	2 408	2 538
Bank Charges	1 552	1 896	2 170	2 250	2 250	2 250		2 580	2 748	2 913
Training	1 417	1 664	2 516	2 445	2 445	2 445		2 268	2 338	2 406
Total 'Other' Expenditure	**253 694**	**241 490**	**248 674**	**266 997**	**322 300**	**322 300**	**–**	**277 780**	**285 785**	**301 826**

by Expenditure Item										
Employee related costs										
Other materials	68 422	68 982	64 257	87 135	90 735	90 735		81 503	88 481	94 963
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	68 422	68 982	64 257	87 135	90 735	90 735	–	81 503	88 481	94 963

NC091 Sol Plaatje - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - MUNICIPAL AND GENERAL	Vote 3 - MUNICIPAL MANAGER	Vote 4 - CORPORATE SERVICES	Vote 5 - COMMUNITY SERVICES	Vote 6 - FINANCIAL SERVICES	Vote 7 - STRATEGY ECON DEVELOPMEN T AND	Vote 8 - INFRASTRUCT URE AND SERVICES	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
Revenue By Source																
Property rates						423 808										**423 808**
Property rates - penalties & collection charges																**–**
Service charges - electricity revenue								651 586								**651 586**
Service charges - water revenue								245 333								**245 333**
Service charges - sanitation revenue								72 545								**72 545**
Service charges - refuse revenue								50 428								**50 428**
Service charges - other																**–**
Rental of facilities and equipment		3		28	5 103		953	13 095								**19 182**
Interest earned - external investments		16 000														**16 000**
Interest earned - outstanding debtors		50 000														**50 000**
Dividends received																**–**
Fines					10 419											**10 419**
Licences and permits					2 715	280										**2 995**
Agency services					5 800											**5 800**
Other revenue		3 696		3 854	5 609	12 388	7 372	1 417								**34 336**
Transfers recognised - operational		148 319	1 703	3 500	10 735	2 530										**166 787**
Gains on disposal of PPE																**–**
Total Revenue (excluding capital transfers and contrib	**–**	**218 018**	**1 703**	**7 382**	**40 381**	**439 006**	**8 325**	**1 034 405**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 749 221**
Expenditure By Type																
Employee related costs	12 844	58 894	14 203	48 365	152 028	93 500	30 721	186 700								**597 254**
Remuneration of councillors	21 365	–														**21 365**
Debt impairment		60 000						101 000								**161 000**
Depreciation & asset impairment		38 800						14 800								**53 600**
Finance charges		1 506						28 283								**29 790**
Bulk purchases								461 000								**461 000**
Other materials	2	6 350	10	1 062	5 648	682	4 600	63 149								**81 503**
Contracted services																**–**
Transfers and grants		55 050		11 289												**66 339**
Other expenditure	5 682	97 444	2 561		22 881	18 374	6 877	112 672								**266 491**
Loss on disposal of PPE																**–**
Total Expenditure	**39 893**	**318 044**	**16 774**	**60 717**	**180 556**	**112 557**	**42 198**	**967 604**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1 738 342**
Surplus/(Deficit)	**(39 893)**	**(100 026)**	**(15 070)**	**(53 335)**	**(140 175)**	**326 450**	**(33 873)**	**66 801**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10 878**
Transfers recognised - capital		**64 276**														**64 276**
Contributions recognised - capital																**–**
Contributed assets																**–**
Surplus/(Deficit) after capital transfers & contributions	**(39 893)**	**(35 751)**	**(15 070)**	**(53 335)**	**(140 175)**	**326 450**	**(33 873)**	**66 801**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**75 154**

NC091 Sol Plaatje - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Call investment deposits										
Call deposits < 90 days	171 931	336 560	320 607	262 936	262 936	262 936		240 000	265 916	326 737
Other current investments > 90 days										
Total Call investment deposits	**171 931**	**336 560**	**320 607**	**262 936**	**262 936**	**262 936**	**–**	**240 000**	**265 916**	**326 737**
Consumer debtors										
Consumer debtors	486 278	638 070	807 744	1 025 877	1 025 877	1 025 877		1 247 961	1 430 889	1 619 496
Less: Provision for debt impairment	(312 510)	(428 605)	(546 772)	(799 340)	(799 340)	(799 340)		(960 340)	(1 134 640)	(1 321 766)
Total Consumer debtors	**173 768**	**209 465**	**260 972**	**226 537**	**226 537**	**226 537**	**–**	**287 621**	**296 249**	**297 731**
Debt impairment provision										
Balance at the beginning of the year	258 925	312 510	428 605	654 340	654 340	654 340		799 340	960 340	1 134 640
Contributions to the provision	106 664	122 000	133 000	145 000	145 000	145 000		161 000	174 300	187 126
Bad debts written off	(53 078)	(5 905)	(14 833)							
Balance at end of year	**312 510**	**428 605**	**546 772**	**799 340**	**799 340**	**799 340**	**–**	**960 340**	**1 134 640**	**1 321 766**
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	1 359 741	1 124 644	1 772 524	1 942 827	1 942 827	1 942 827		2 096 525	2 214 651	2 320 930
Leases recognised as PPE										
Less: Accumulated depreciation	429 647	40 303	491 517	565 413	565 413	565 413		619 013	679 031	743 709
Total Property, plant and equipment (PPE)	**930 094**	**1 084 340**	**1 281 007**	**1 377 415**	**1 377 415**	**1 377 415**	**–**	**1 477 512**	**1 535 620**	**1 577 221**
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities	9 472	20 255	22 372	11 051	11 051	11 051		10 878	8 205	8 243
Total Current liabilities - Borrowing	**9 472**	**20 255**	**22 372**	**11 051**	**11 051**	**11 051**	**–**	**10 878**	**8 205**	**8 243**
Trade and other payables										
Trade and other creditors	130 560	145 713	169 578	164 034	164 034	164 034		195 015	212 566	231 697
Unspent conditional transfers	7 220	35 106	2 594							
VAT	12 504	16 530	20 910	16 646	16 646	16 646		22 478	21 804	20 495
Total Trade and other payables	**150 285**	**197 349**	**193 082**	**180 679**	**180 679**	**180 679**	**–**	**217 493**	**234 370**	**252 193**
Non current liabilities - Borrowing										
Borrowing	156 472	195 337	237 719	214 736	214 736	214 736		226 841	207 758	191 311
Finance leases (including PPP asset element)										
Total Non current liabilities - Borrowing	**156 472**	**195 337**	**237 719**	**214 736**	**214 736**	**214 736**	**–**	**226 841**	**207 758**	**191 311**
Provisions - non-current										
Retirement benefits	158 630	186 016	196 874	236 464	236 464	236 464		221 483	248 061	277 829
List other major provision items										
Refuse landfill site rehabilitation										
Other	37 766	41 782	47 442	51 241	51 241	51 241		53 373	59 244	64 576
Total Provisions - non-current	**196 396**	**227 798**	**244 316**	**287 705**	**287 705**	**287 705**	**–**	**274 856**	**307 305**	**342 404**
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	908 944	1 023 755	1 294 993	1 464 905	1 460 458	1 460 458		1 623 246	1 700 911	1 778 611
GRAP adjustments										
Restated balance	908 944	1 023 755	1 294 993	1 464 905	1 460 458	1 460 458	–	1 623 246	1 700 911	1 778 611
Surplus/(Deficit)	158 525	260 569	258 960	104 754	109 200	109 200	–	75 154	71 443	71 986
Appropriations to Reserves										
Transfers from Reserves										
Depreciation offsets										
Other adjustments										
Accumulated Surplus/(Deficit)	**1 067 468**	**1 284 325**	**1 553 953**	**1 569 658**	**1 569 658**	**1 569 658**	**–**	**1 698 400**	**1 772 354**	**1 850 597**
Reserves										
Housing Development Fund										
Capital replacement	17 533	103 605	88 680	2 000	2 000	2 000		50 000	49 000	40 000
Self-insurance	18 639	18 878	22 877	19 500	19 500	19 500		26 000	28 000	30 000
COID	9 064	9 232	9 490	9 600	9 600	9 600		9 800	10 000	10 200
Revaluation										
Total Reserves	**45 236**	**131 715**	**121 046**	**31 100**	**31 100**	**31 100**	**–**	**85 800**	**87 000**	**80 200**
TOTAL COMMUNITY WEALTH/EQUITY	**1 112 704**	**1 416 040**	**1 674 999**	**1 600 758**	**1 600 758**	**1 600 758**	**–**	**1 784 200**	**1 859 354**	**1 930 797**

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services										

NC091 Sol Plaatje - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
KPA 1: Local Economic Development	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks		5 396	7 286	5 236	8 039	8 039	8 039	8 325	8 855	9 374
	To initiate, lead and sustain an investment environment for job creation in the SPM Area										
	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth										
KPA2: Basic and Sustainable Service Delivery and Infrastructure Development	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth										
	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets		822 216	885 318	849 913	1 061 942	1 058 778	1 058 778	1 081 660	1 160 128	1 242 855
	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and stormwater as well as community services to all residents of SPM										
	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM										
KPA 3: Municipal Financial Viability and Management	Ensure sound financial management and financial sustainability of SPM		316 012	388 033	379 124	434 847	503 871	503 871	492 312	533 864	577 843
KPA 4: Municipal Institutional Development and Transformation	To provide an overarching framework for sustainable municipal performance improvement		5 066	4 940	420 974	6 336	6 336	6 336	5 960	6 318	6 665
	To provide a framework for Municipal Transformation and Institutional Development										
KPA 5: Good Governance and Public Participation	To ensure an Unqualified Audit Report		210 267	270 304	7 275	226 172	229 282	229 282	225 238	221 161	223 478
	To enhance the public profile, reputation and positioning of the SPM										
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			**1 358 958**	**1 555 881**	**1 662 523**	**1 737 337**	**1 806 307**	**1 806 307**	**1 813 496**	**1 930 325**	**2 060 215**

NC091 Sol Plaatje - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
KPA1: Local Economic Development	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks		26 893	28 539	34 148	38 723	39 464	39 464	42 198	44 882	47 540
	To initiate, lead and sustain an investment environment for job creation in the SPM Area										
	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth										
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth										
	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets		790 455	888 111	812 257	1 080 143	1 145 529	1 145 529	1 164 522	1 259 133	1 354 459
	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and stormwater services as well as community services to all residents of SPM										
	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM										
KPA 3: Municipal Financial Viability and Management	Ensure sound financial management and financial sustainability of SPM		68 167	77 743	83 887	101 510	97 764	97 764	112 557	119 593	126 572
KPA 4: Municipal Institutional Development and Transformation	To provide an overarching framework for sustainable municipal performance improvement		8 970	9 552	423 965	14 042	14 042	14 042	14 074	14 919	15 739
	To provide a framework for Municipal Transformation and Institutional Development										
KPA 5: Good Governance and Public Participation	To ensure an Unqualified Audit Report		305 949	291 367	49 306	398 165	400 307	400 307	404 992	420 355	443 918
	To enhance the public profile, reputation and positioning of the SPM										
Allocations to other priorities											
Total Expenditure			**1 200 434**	**1 295 311**	**1 403 563**	**1 632 583**	**1 697 106**	**1 697 106**	**1 738 343**	**1 858 882**	**1 988 228**

NC091 Sol Plaatje - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
KPA 1: Local Economic Development	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	A	1 238	2 178	5 292	10 250	9 338	9 338	9 100	13 800	12 600
	To initiate, lead and sustain an investment environment for job creation in the SPM Area	B									
	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	C									
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	D							43 053		
	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	E	98 514	126 618	220 495	106 938	217 974	217 974	36 960	74 184	66 080
	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and stormwater services as well as community services to all residents of SPM	F									
	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	G	10 558	34 847		12 994	17 614	17 614	15 096	9 136	966
KPA 3: Municipal Financial Viability and Management	Ensure sound financial management and financial sustainability of SPM	H	1 807	1 923	3 192	1 000	2 800	2 800	4 500	1 500	2 000
KPA 4: Municipal Institutional Development and Transformation	To provide an overarching framework for sustainable municipal performance improvement	I	396	502	9 145		2 500	2 500	3 000	3 000	3 000
	To provide a framework for Municipal Transformation and Institutional Development	J									
KPA 5: Good Governance and Public Participation	To ensure an Unqualified Audit Report	K									
	To enhance the public profile, reputation and positioning of the SPM	L	15 780	13 220	285		–	–	–	–	–
Allocations to other priorities											
Total Capital Expenditure			**128 293**	**179 288**	**238 409**	**131 183**	**250 226**	**250 226**	**111 709**	**101 620**	**84 646**

NC091 Sol Plaatje - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
1. Local Economic Development										
1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks										
Through the adoption of Mzantsi Golden Economy strategy, promote tourism into the city using arts, culture and heritage as a strategy	Number of arts and culture related activities	Not a target in this FY	Not a target in this FY	Not a target in this FY	3.0	4.0	4.0	3.0	3.0	3.0
Support SMME's through incubation and mentoring of at least 10 businesses annually	Number of businesses incubated and mentored	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	10	10	10
Through monthly inspection of residential business ensure that small businesses are licensed	Inspection reports	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	12	12	12
Host an SMME Business week annually	Hosted SMME business week. Prgramme, agenda, attendance registers	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	1	1	1
Improve the turnaround time for development applications to 12 weeks (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council by 30 June 2017	Average time in weeks to approve applications	12 - 16weeks	8 weeks	8.67	12 weeks	12 weeks	12 weeks	10weeks	10weeks	10weeks
Ensuring a turnaround time of 4 weeks for building plan approval by 30 June 2016 for buildings for architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	12 weeks	8 weeks	11.67	4 weeks	4 weeks	4 weeks	6weeks	4weeks	4weeks
Ensuring a turnaround time of 8 weeks for building plan approval for buildings for architectural buildings more than 500m² in accordance with NBRBSA - 103/1977by 30 June 2017	Average time in weeks to approve building plans	12 weeks	8 weeks	7.84	8 weeks	8 weeks	8 weeks	9weeks	8weeks	8weeks
To improve the SCM turnaround time for annual contracts to 12 weeks from closing date to date of award by 30 June 2017.	Average time in weeks to award annual tenders	Not a target in this FY	Not a target in this FY	12.08	12 weeks	12 weeks	12 weeks	12weeks	12weeks	12weeks
To improve the SCM turnaround time for once-off contracts to 6 weeks from closing date to date of award by 30 June 2017.	Average time in weeks to award once-off contracts	Not a target in this FY	Not a target in this FY	9.87	6 weeks	6 weeks	6 weeks	6weeks	6weeks	6weeks
1.2 To initiate, lead and sustain an investment environment for job creation in the SPM Area										
Create 1025 FTE jobs through initiatives of the SPM (including LED, EPWP, Capital Projects, Maintenance activities etc) by 30 June 2017	Number of FTE jobs created	115	115	893	320	320	320	300	350	375
1.3 To leverage municipal assets and the municipal assets and the municipal procurement process with the view to stimulate redistribution and growth										
Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from local BEE and SMME service providers	% of the Municipality's own procurement for goods and services sourced from enterprises with a minimum of level 3 BBBEE contributor	63.0%	65.0%	67.0%	60%	60%	60%	60.0%	60.0%	60.0%
To alienate earmarked Municipal land and properties to the value of at least R 5 million for development purposes in line with the SDF/LUMS on an annual basis	R value of proceeds received from land and property sales	Not a target in this FY	Not a target in this FY	R 1,867m	5 000 000	5 000 000	5 000 000			
To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Feasibility studies performed	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	2	2	2
2. Service Delivery										
2.1 To ensure adequate provision of bulk infrastructure to unlock and sustain development and growth										
Replace 2 old high lift pumps at Riverton Water Purification Works with new ones by 30 June 2016.	Number of pumps replaced	Not a target in this FY	Not a target in this FY	0	2	2	2	-	-	-
Completion of the bulk sewage project at Homevale will ensure an additional 15 Ml/day treatment capacity by December 2015	% completion of the project	Not a target in this FY	Not a target in this FY	64.0%	100.0%	100.0%	100.0%	100.0%	-	-
2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets										
Decrease electricity losses to 15% by 30 June 2017	% electricity losses	27%	Not a target in this FY	16,47%	15%	15%	15%	15.5%	15.0%	14.0%
Decrease non-revenue water losses to 33% by 30 June 2017	% water losses	35%	Not a target in this FY	44.0%	30%	47%	47%	37.0%	33.0%	30.0%
Achieve 100% Bluedrop Status by 30 June 2017	% status achieved	Not a target in this FY	Not a target in this FY	78.0%	90%	90%	90%	92.0%	100.0%	100.0%
Achieve 100% Greendrop Status by 30 June 2017	% status achieved	Not a target in this FY	Not a target in this FY	56.0%	85%	85%	85%	90.0%	100.0%	100.0%
Paving of 8,5 km of residential roads by 30 June 2017	Kilometres of streets paved	Not a target in this FY	Not a target in this FY	17km	Not a target in this FY	Not a target in this FY	Not a target in this FY	2.5km	6km	-
Save10MW of electricity during peak times by switching off 2kw geysers of 25000 households as requested by ESKOM	Units of electricity saved	Not a target in this FY	Not a target in this FY	36 MW	10MW	10MW	10MW	-	-	-
2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and stormwater services to all residents of SPM										
786 new households connected to the electricity network by 30 June 2017	Number of houses connected to electricity network	Not a target in this FY	Not a target in this FY	492	214	214	214	446	-	-
1800 new households to be provided with a weekly solid waste removal service by 30 June 2017	Number of houses receiving a weekly solid waste removal service	Not a target in this FY	Not a target in this FY	0	600	600	0	600	1200	-
2492 new households connected to sewer network by 30 June 2017	Number of houses connected to the sewer network	Not a target in this FY	Not a target in this FY	1854	892	892	892	-	-	-
2492 new households connected to water network by 30 June 2017	Number of houses connected to water network	Not a target in this FY	Not a target in this FY	1067	892	892	892	533	-	-
12 000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2017	Number of indigent households receiving free basic services	Not a target in this FY	Not a target in this FY	5,792	12000	10000	10000	12000	12000	12000
1375 new households provided with a subsidised house by 30 June 2017	Number of houses constructed	Not a target in this FY	Not a target in this FY	516	440	409	409	-	-	-
1272 new erven planned, surveyed and ready for installation of municipal services in existing informal settlements by 30 June 2017	No of erven surveyed on approved SG diagramme	Not a target in this FY	Not a target in this FY	10	1272	457	457	3527	-	-

A planned, prioritised and budgeted operational plan for each section in the Directorate Community and Social Development Services (Personal Health, Environmental Health, Library, Parks and Recreation, Emergency, Traffic, Motor Registration and Licensing and Social Development) annually	% progress	Not a target in this FY	Not a target in this FY	100.0%	100%	100%	100%	-	-	-
3. Financial Management and Viability										
3.1 To ensure sound financial management and financial sustainability of the SPM										
To improve revenue enhancement by ensuring a collection rate of 90,5% after debt write off by 30 June 2017	% collection rate	91%	88%	79.0%	88%	88%	88%	89.4%	90.5%	90.5%
To spend at least 95% of the Capital Budget (including VAT) on capital projects identifed ito the IDP by 30 June 2017	% capital expenditure of capital budget	100%	100%	83.0%	87%	87%	87%	90.0%	95.0%	95.0%
To spend at least 95% of the Operational Budget annualy (30 June)	% operating expenditure of operational budget	94%	95%	90.0%	95%	95%	95%	95.0%	95.0%	95.0%
To maintain a debt coverage ratio at least 2:1 against net assets of the municipality by 30 June 2017	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	25%	25%	1.83:1	02:01	02:01	02:01	02:01	02:01	02:01
Reducing the ratio of outstanding service debtors to revenue to 20% by 30 June 2017	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	24%	25%	31.0%	40%	40%	40%	25.0%	20.0%	20.0%
Increase the cost coverage ratio to 3:1 annually by 30 June 2017	% opex of operational budget	Not a target in this FY	Not a target in this FY	2.2:1	02:01	02:01	02:01	2.0:01	3.0:01	3.0:01
Increase the municipal reserves by at least 10% per annum from the previous year's actual balance annually (30 June)	Cost coverage (Available cash + investments/ monthly fixed operating expenditure)	200%	16%	4,7%	10%	10%	10%	-	-	-
Decrease employee related costs to 30 % of the Operational Budget by 30 June 2017	Employee related cost as a % of operational budget	34%	33%	32.0%	33%	33%	33%	32.0%	30.0%	30.0%
To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders/quotes submitted by 30 June 2017	% successful appeals against total number of awards made per period	0%	5%	8.25%	5%	5%	5%	5.0%	5.0%	5.0%
To maintain a ratio of at least 10% of the total operational budget on repairs and maintenance by 30 June 2017	% spending on repairs and maintenance	5%	6%	5.0%	6%	6%	6%	8.0%	10.0%	10.0%
Prepare a SCOA compliant budget that is in line with the SCOA framework issued by National Treasury.	Draft of SCOA compliant budget	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	Not a target in this FY	1	1	1
Vote 3 - vote name										
4. Municipal Institution and Transformation										
4.1 To provide an overarching framework for sustainable municipal performance improvement										
Implemenation of performance management policy at senior management and one level below that of the senior managers, including managers reporting to the accounting officer in terms of their functions by 30 June 2015	Performance evaluations, performance agreements, level of compliance	Not a target in this FY	Not a target in this FY	Not a target in this FY	100%	100%	100%	-	-	-
Review the integrated performance management policy by 31 May 2015	Reviewed policy. Minutes of council meeting where approved	Not a target in this FY	Not a target in this FY	80.0%	1	1	1	1	1	1
Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter	No of reports submitted to the mayor	Not a target in this FY	Not a target in this FY	4	4	4	4	4	4	4
Complete individual performance management to all levels of staff by 30 June 2017	% progress in establishing PMS to all levels of staff	Not a target in this FY	Not a target in this FY	15.0%	60%	60%	60%	75%	100%	100%
Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager	Number of assessments conducted	Not a target in this FY	Not a target in this FY	2	2	2	2	2	2	2
Conduct bi-annual performance assessments of middle management (up to level 6) by 30 June	Number of assessments conducted	Not a target in this FY	Not a target in this FY	2	2	2	2	2	2	2
4.2 To provide a framework for Municipal Transformation and Institutional Development										
Compile an approved Human Resource Management Plan with specific reference to staffing (attraction/retention), HRA, HRM and HRD by 30 June 2017	% progress in preparing HRM Plan	Not a target in this FY	100%	60.0%	100%	100%	100%	100.0%	100.0%	100.0%
Ensure that all levels of personnel on the organogram of the SPM are 100% representative according to the Employment Equity Plan of the Municipality as well as the most recent Provincial EAP Profiles by 30 June 2017	% compliance	100%	100%	70.0%	87%	87%	87%	100.0%	100.0%	100.0%
Compile and approve a "top 10" risk register by 30 June 2015	Approved risk register	Not a target in this FY	Not a target in this FY	Not a target in this FY	1	1	1	-	-	-
5. Good Governance and Public Participation										
5.1 Ensure an Unqualified Audit Report										
Ensure an updated and interactive web site linked to other spheres of Government on a continuous basis	% compliant to relevant legislation	Not a target in this FY	Not a target in this FY	100%	100%	100%	100%	100%	100%	100%
Review service delivery mechanisms and improve turnaround time by conducting quarterly risk assessments	Number of risk assessments conducted	Not a target in this FY	Not a target in this FY	4	Not a target in this FY	Not a target in this FY	Not a target in this FY	4	4	4
Submission of an annual report on risk management maturity level of SPM to NT by 30 June each year	Maturity report submitted	Not a target in this FY	Not a target in this FY	1	1	1	1	1	1	1
Achieve an unqualified audit opinion from the 2014/15 financial statements	Audit opinion	Qualified	Qualified	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Clean	Clean
5.2 Enhance the Public Profile, Reputation and Positioning of SPM										
Establish effective communication channels and feedback mechanisms through the provision of a well managed municipal website as well as monthly municipal newsletters.	Municipal website and number of newletters published	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	12	12	12
5.3 To continuosly assess internal control environment by conducting internal audits across various functions of the municipality										
Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	10	10	10
5.3 To ensure that the municipality provides basic services to the community in a cost effective manner										
Adoption of the back to basics to inform service delivery strategy of the municipality by 30 June 2017.	Back to Basics strategy adopted	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	1	1	1
5.4 To ensure that customers have a platform to express their level of satisfaction with the services of the municipality as well as their experiences whilst interacting with the staff										
Conduct at least 5 community surveys on on service delivery related experiences	Number of community surveys conducted	Not a target in this FY	Not a target in this FY	Not a target in this FY	New	New	New	5	5	5

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

NC091 Sol Plaatje - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating		Aa3.za	Aa3.za	Aa3.za							
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	3.2%	3.4%	3.2%	3.0%	3.0%	0.0%	2.3%	2.0%	1.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.2%	3.2%	3.6%	3.5%	3.3%	3.3%	0.0%	2.6%	2.2%	1.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	171.7%	82.3%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	345.9%	148.3%	196.4%	690.5%	690.5%	690.5%	0.0%	264.4%	238.8%	238.5%
Liquidity											
Current Ratio	Current assets/current liabilities	2.8	3.1	3.6	3.3	3.3	3.3	–	3.2	3.2	3.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.8	3.1	3.6	3.3	3.3	3.3	–	3.2	3.2	3.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	1.3	1.3	1.1	1.1	1.1	–	0.9	0.9	1.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		97.2%	97.4%	85.4%	88.5%	80.0%	80.0%	0.0%	86.1%	86.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		97.2%	97.4%	85.4%	88.5%	80.0%	80.0%	0.0%	86.1%	86.2%	86.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	26.9%	30.4%	37.9%	28.6%	28.2%	28.2%	0.0%	34.6%	33.3%	31.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%
Creditors to Cash and Investments		81.5%	45.0%	55.6%	65.5%	65.5%	65.5%	0.0%	86.9%	85.0%	74.2%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	66 265	82 660	81 135	75 531	75 531	75 531		77 639	75 885	71 535
	Total Cost of Losses (Rand '000)	35 669	50 193	51 511	50 751	50 751	50 751		56 942	61 953	62 709
	% Volume (units purchased and generated less units sold)/units purchased and generated	13.2%	16.6%	16.4%	15.0%	15.0%	15.0%		15.5%	15.0%	14.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	2 522	13 107	18 463	9 110	9 110	9 110		12 502	11 262	10 341
	Total Cost of Losses (Rand '000)	2 893	19 370	36 915	6 979	6 979	6 979		9 167	8 677	8 368
	% Volume (units purchased and generated less units sold)/units purchased and generated	14.3%	44.0%	55.7%	30.0%	30.0%	30.0%		37.0%	33.0%	30.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.4%	30.3%	31.2%	33.2%	32.9%	32.9%	0.0%	34.1%	34.0%	33.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.7%	31.3%	32.5%	34.4%	34.1%	34.1%		35.4%	35.2%	34.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.4%	4.8%	4.2%	5.3%	5.4%	5.4%		4.7%	4.7%	4.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.5%	4.7%	4.6%	5.4%	5.2%	5.2%	0.0%	4.8%	4.7%	4.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.3	13.0	34.7	15.3	15.3	15.3	–	41.6	39.3	42.3
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32.8%	36.8%	47.2%	33.9%	35.3%	35.3%	0.0%	41.4%	39.3%	36.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.0	3.7	3.2	2.3	2.3	2.3	–	1.9	2.0	2.3

NC091 Sol Plaatje - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue Framework	
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome
Demographics											
Population			201	243	248	243	246	248	248	248	248
Females aged 5 - 14			40		46	42	42	46	46	46	46
Males aged 5 - 14			40		47	43	34	47	47	47	47
Females aged 15 - 34			55		70	68	42	70	70	70	70
Males aged 15 - 34			50		65	62	39	65	65	65	65
Unemployment			28	28	79	28	32	79	79	79	79
Monthly household income (no. of households)	1, 12										
No income			4 393	79 310	7 032		100 797	7 032	7 032	7 032	7 032
R1 - R1 600			127 071	114 291	2 001	96	35 211	2 001	2 001	2 001	2 001
R1 601 - R3 200			32 171	9 682	3 215		6 842	3 215	3 215	3 215	3 215
R3 201 - R6 400			26 483	11 928	9 683	102	32 335	9 683	9 683	9 683	9 683
R6 401 - R12 800			12 879	10 923	11 291	3 831	15 244	11 291	11 291	11 291	11 291
R12 801 - R25 600			3 615	5 243	8 977	8 770	11 355	8 977	8 977	8 977	8 977
R25 601 - R51 200			1 078	2 056	7 235	11 378	11 222	7 235	7 235	7 235	7 235
R52 201 - R102 400			611	333	5 776	11 277	7 741	5 776	5 776	5 776	5 776
R102 401 - R204 800			310	242	3 506	19 451	2 327	3 506	3 506	3 506	3 506
R204 801 - R409 600			134	78	1 087	3 964	575	1 087	1 087	1 087	1 087
R409 601 - R819 200					268		283	268	268	268	268
> R819 200					224		225	224	224	224	224
Poverty profiles (no. of households)											
< R2 060 per household per month	13										
<R38 200 per household (4 persons) per annum	2	< R 38 200 per household (4 persons) per annum			33 222			33222.00	33222.00	33222.00	33222.00
Household/demographics (000)											
Number of people in municipal area			201	243	248	243	245	248	248	248	248
Number of poor people in municipal area			81	74	33	44	44	33	33	33	33
Number of households in municipal area			50	52	60	52	52	60	60	60	60
Number of poor households in municipal area					9	21	22	9	9	9	9
Definition of poor household (R per month)											
Housing statistics	3										
Formal			41 282	46 230	49 202	49 202	49 202	49 202	49 202	49 202	49 202
Informal			9 247	5 733	11 095	11 095	11 095	11 095	11 095	11 095	11 095
Total number of households			50 529	51 963	60 297	60 297	60 297	60 297	60 297	60 297	60 297
Dwellings provided by municipality	4				440				440	440	440
Dwellings provided by province/s											
Dwellings provided by private sector	5										
Total new housing dwellings			-	-	440	-	-	-	440	440	440
Economic	6										
Inflation/inflation outlook (CPIX)						5.5%	5.4%	5.5%	5.5%	6.2%	5.8%
Interest rate - borrowing						11.4%	12.5%	12.5%	12.5%	12.5%	12.5%
Interest rate - investment						6.0%	5.6%	5.0%	5.0%	6.0%	6.0%
Remuneration increases						6.1%	7.0%	7.0%	7.0%	7.0%	6.0%
Consumption growth (electricity)						25.8%	13.5%	1.0%	1.0%	1.0%	1.0%
Consumption growth (water)						10.7%	6.5%	1.0%	1.0%	1.0%	1.0%
Collection rates	7										
Property tax/service charges						271 038	331 348	90.0%	90.0%	90.0%	90.0%
Rental of facilities & equipment						12 416	14 253	100.0%	100.0%	100.0%	100.0%
Interest - external investments						8 565	15 173	100.0%	100.0%	100.0%	100.0%
Interest - debtors						30 424	32 108	25.0%	25.0%	25.0%	25.0%
Revenue from agency services						3 603	4 860	100.0%	100.0%	100.0%	100.0%

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue Framework	
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
		Household service targets (000)								
		Water:								
		Piped water inside dwelling	43 064	52 832	52 910	53 802	53 802	53 802	55 746	57 406
		Piped water inside yard (but not in dwelling)		–						

NC091 Sol Plaatje Supporting Table SA10 Funding measurement

Description	MFMA section	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	160 285	323 965	305 199	250 538	250 538	250 538	–	224 384	250 222	312 164
Cash + investments at the yr end less applications - R'000	18(1)b	305 387	439 801	505 272	473 040	432 839	432 839	–	463 918	486 536	542 925
Cash year end/monthly employee/supplier payments	18(1)b	2.0	3.7	3.2	2.3	2.3	2.3	–	1.9	2.0	2.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	158 525	260 569	258 960	104 754	109 200	109 200	–	75 154	71 443	71 986
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	9.6%	(3.1%)	7.0%	(10.0%)	(6.0%)	(106.0%)	4.6%	2.1%	1.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	97.2%	97.4%	85.4%	88.5%	80.0%	80.0%	0.0%	86.1%	86.2%	86.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.2%	9.5%	10.5%	10.7%	11.1%	11.1%	0.0%	11.2%	11.2%	11.1%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	171.7%	82.3%	66.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	29.8%	32.3%	(19.0%)	0.0%	0.0%	(100.0%)	29.6%	2.7%	0.5%
Long term receivables % change - incr(decr)	18(1)a	N.A.	131.6%	(79.7%)	453.5%	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	7.4%	6.4%	5.0%	6.3%	6.6%	6.6%	0.0%	5.5%	5.8%	6.0%
Asset renewal % of capital budget	20(1)(vi)	5.5%	31.3%	63.5%	77.1%	59.8%	59.8%	0.0%	69.3%	30.0%	36.6%

NC091 Sol Plaatje - Supporting Table SA11 Property rates summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Valuation:									
Date of valuation:	2011/01/01	2011/01/01	2011/01/01	2011/01/01					
Financial year valuation used	**2012/13**	**2012/2013**	**2011/12**	**2013/14**			**2015/2016**		
Municipal by-laws s6 in place? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	**3**	**1**	**3**	1	**1**	**1**	1	**1**	**1**
No. of data collectors (FTE)	3	5	3	10	5	5	5	5	5
No. of internal valuers (FTE)	2	1	2	1	1	1	2	2	2
No. of external valuers (FTE)	–	–	–	2	2	2	–	–	–
No. of additional valuers (FTE)	–	–	–	–	–	–	–	–	–
Valuation appeal board established? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)	3	2	2	10			48		
No. of properties	52 502	53 000	53 100	53 376	53 376	53 376	53 000	53 100	53 200
No. of sectional title values	1 713		1 750	1 750	1 750	1 750			
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–			
No. of supplementary valuations	1 656	1 713	1 500	1 500	1 500	1 500	500	500	500
No. of valuation roll amendments	–	–	–	–	–	–			
No. of objections by rate payers	1	–	5	15	15	15	–	–	–
No. of appeals by rate payers	–	–	3	–	–	–	–	–	–
No. of successful objections	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	–	–	–	–	–	–	–	–	–
Supplementary valuation	Yes	Yes	Yes	Yes	Yes	Yes			
Public service infrastructure value (Rm)	31	31	32	31	31	31	47	47	47
Municipality owned property value (Rm)	468	468	468	580	580	580	592	592	592
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	9	9	9	9	9	9	14	14	14
Valuation reductions-nature reserves/park (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)	653		653	653	653	653	593	593	593
Valuation reductions-public worship (Rm)	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	–		–	–	–	–	–	–	–
Total valuation reductions:	**662**	**9**	**662**	**662**	**662**	**662**	**607**	**607**	**607**
Total value used for rating (Rm)	15 800	16 000	16 150	16 362	17913	17913	22 479	22 479	22 479
Total land value (Rm)	–	–	–	–	0	–	–	–	–
Total value of improvements (Rm)	–	–	–	–	0	–	–	–	–
Total market value (Rm)	17 101	17 200	17 568	17 929	18 268	18 268	24 135	24 135	24 135
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Differential rates used? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Limit on annual rate increase (s20)? (Y/N)	No	No	No	No			No		
Special rating area used? (Y/N)	No	No	No	No			No		
Phasing-in properties s21 (number)	165	222	165	222			No		
Rates policy accompanying budget? (Y/N)	Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)		–		–			No		
Non-residential prescribed ratio s19? (%)	0.0%	0.0%	0.0%	0.0%			0.0%		
Rate revenue:									
Rate revenue budget (R '000)	271 038	331 241	367 941	387 082	387 082	387 082	423 808	451 356	480 694
Rate revenue expected to collect (R'000)	252 066	308 054	348 374	348 374	348 374	348 374	381 427	406 220	432 625
Expected cash collection rate (%)	93.0%	95.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Special rating areas (R'000)	–	–		–	0	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	250	250	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)	**250**	**250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

NC091 Sol Plaatje - Supporting Table SA12a Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2014/15																
Valuation:																
No. of properties	40 995	175	254	823	1 615	5 726	78		3 004				1		427	30
No. of sectional title property values																
No. of unreasonably difficult properties s7(2)																
No. of supplementary valuations																
Supplementary valuation (Rm)	134 701 000	13 722 000	101 845 000	16 290 000	33 260 000	49 934 100	995 000		1 685 000						56 991 000	222 000
No. of valuation roll amendments																
No. of objections by rate-payers	1 500															
No. of appeals by rate-payers	–															
No. of appeals by rate-payers finalised	5															
No. of successful objections	–															
No. of successful objections > 10%	–															
Estimated no. of properties not valued	–															
Years since last valuation **(select)**	Yes															
Frequency of valuation **(select)**	31500000															
Method of valuation used **(select)**	468000000															
Base of valuation **(select)**																
Phasing-in properties s21 (number)																
Combination of rating types used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	9															
Valuation reductions-nature reserves/park (Rm)	–															
Valuation reductions-mineral rights (Rm)	–															
Valuation reductions-R15,000 threshold (Rm)	653															
Valuation reductions-public worship (Rm)	–															
Valuation reductions-other (Rm)	–															
Total valuation reductions:																
Total value used for rating (Rm)	16 150															
Total land value (Rm)	–															
Total value of improvements (Rm)	–															
Total market value (Rm)	**17 568**															
Rating:																
Average rate																
Rate revenue budget (R '000)	211 184	9 473	31	1 458	161 469	2 085	–	–	–	–	–	–	–	–	–	1 381
Rate revenue expected to collect (R'000)	199 311	8 526	31	1 443	159 855	1 980	–	–	–	–	–	–	–	–	–	1 312
Expected cash collection rate (%)																
Special rating areas (R'000)																
Rebates, exemptions - indigent (R'000)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)	6 951	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)																
Rebates, exemptions - other (R'000)	601 146	–	–	–	–	48 574	9 419	–	–	–	3 108	–	–	–	–	–
Phase-in reductions/discounts (R'000)																
Total rebates,exemptns,reductns,discs (R'000)																

NC091 Sol Plaatje - Supporting Table SA12b Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2015/16																
Valuation:																
No. of properties	41 166	176	1 493	839	366	5 543	78	–	–	–	–	–	–	–	416	15
No. of sectional title property values	641	–	57	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments	500	20	100	50	10	–	–	–	–	–	–	–	–	–	1	1
No. of objections by rate-payers	3 000	50	100	10	10	–	10	–	–	–	–	–	–	–	5	5
No. of appeals by rate-payers	50	10	10	2	–	–	1	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	1 500	25	50	5	5	–	5	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	1 000	10	25	3	3	–	3	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued	–	–	–	–	–	–		–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Frequency of valuation **(select)**	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used **(select)**	Market	Market	Market	Market	Dep.Replace	Dep.Replace	Dep.Replace	Market	Market	Market	Market	Market	Market	Dep.Replace	Market	Market
Base of valuation **(select)**	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Flat rate used? (Y/N)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Is balance rated by uniform rate/variable rate?	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	14															
Valuation reductions-nature reserves/park (Rm)	–															
Valuation reductions-mineral rights (Rm)	–															
Valuation reductions-R15,000 threshold (Rm)	597															
Valuation reductions-public worship (Rm)	–															
Valuation reductions-other (Rm)	–															
Total valuation reductions:																
Total value used for rating (Rm)	23 976															
Total land value (Rm)	–															
Total value of improvements (Rm)	–															
Total market value (Rm)	**25 772**															
Rating:																
Average rate	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676	0.017676
Rate revenue budget (R '000)	126 970	9 805	89 541	4 083	178 470	–	–	–	–	–	–	–	–	–	–	14 938
Rate revenue expected to collect (R'000)	114 273	8 825	80 587	3 675	160 623	–	–	–	–	–	–	–	–	–	–	13 444
Expected cash collection rate (%)	90.0%	90.0%	90.0%	90.0%	90.0%											90.0%
Special rating areas (R'000)	–															
Rebates, exemptions - indigent (R'000)	–															
Rebates, exemptions - pensioners (R'000)	87															
Rebates, exemptions - bona fide farm. (R'000)	–															
Rebates, exemptions - other (R'000)	–															
Phase-in reductions/discounts (R'000)	–															
Total rebates,exemptns,reductns,discs (R'000)																

NC091 Sol Plaatje - Supporting Table SA13a Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Property rates *(rate in the Rand)*								
Residential properties	Residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used	Agricultural farms	0,001245	0,001495	0,001629	0,001743	0,001863	0.0020	0.0022
Farm properties - not used	Agricultural business	0,002075	0,002492	0,002715	0,002905	0,002329	0.0025	0.0028
Industrial properties	Industrial	0,035280	0,042370	0,046152	0,047634	0,032602	0.0355	0.0386
Business and commercial properties	Business/Residential business	0,024903	0,029909	0,032578	0,034854	0,027479	0.0299	0.0325
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties	State / Public schools	0,061429	0,073774	0,080359	0,087135	0,06893	0.0751	0.0816
Municipal properties	Municipal residential	0,008301	0,009970	0,010859	0,011618	0,009315	0.0101	0.0110
Public service infrastructure	Public services infrastr.	0,00	0,00	0,00	0,00	-	-	-
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates *(Rands)*								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate								
Indigent rebate or exemption								
Pensioners/social grants rebate or exemption								
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption								
Other rebates or exemptions								
Water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*								
Service point - vacant land *(Rands/month)*								
Water usage - flat rate tariff *(c/kl)*								
Water usage - life line tariff	Residential (0-6kl)	-	3,80	4,14	4,76	5,07	5,38	5,71
Water usage - Block 1 (c/kl)	Residential (7-20kl)	14,70	16,16	17,60	20,24	21,55	22,87	24,27
Water usage - Block 2 (c/kl)	Residential (21-40kl)	16,55	18,19	19,81	22,78	24,26	25,74	27,31
Water usage - Block 3 (c/kl)	Residential (41-60kl)	17,50	19,23	20,94	24,08	25,65	27,22	28,88
Water usage - Block 4 (c/kl)	Residential (more than 60kl)	18,70	20,55	22,38	25,74	27,41	29,09	30,86
Other								
Waste water tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*		99,55	109,50	116,65	124,23	132,31	139,94	148,14
Service point - vacant land *(Rands/month)*								
Waste water - flat rate tariff *(c/kl)*								
Volumetric charge - Block 1 (c/kl)	(fill in structure)							
Volumetric charge - Block 2 (c/kl)	(fill in structure)							
Volumetric charge - Block 3 (c/kl)	(fill in structure)							
Volumetric charge - Block 4 (c/kl)	(fill in structure)							
Other								
Electricity tariffs								
Domestic								
Basic charge/fixed fee *(Rands/month)*								
Service point - vacant land *(Rands/month)*								
FBE	(how is this targeted?)							
Life-line tariff - meter	(describe structure)							
Life-line tariff - prepaid	(describe structure)							
Flat rate tariff - meter *(c/kwh)*								
Flat rate tariff - prepaid*(c/kwh)*								
Meter - IBT Block 1 (c/kwh)	Block 1 (0 - 50 Kwh)			1.1177	1,1928	1,3383	1,4561	1,5791
Meter - IBT Block 2 (c/kwh)	Block 2 (51 - 350 Kwh)			1.5321	1,6351	1,8345	1,9959	2,1646
Meter - IBT Block 3 (c/kwh)	Block 3 (351 - 600 Kwh)			1.6577	1,7691	1,9849	2,1596	2,3420
Meter - IBT Block 4 (c/kwh)	Block 4 (> 600 Kwh)			1.7582	1,8764	2,1052	2,2905	2,4840
Meter - IBT Block 5 (c/kwh)	(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)	Block 1 (0 - 50 Kwh)			1.1177	1,1928	1,3383	1,4561	1,5791
Prepaid - IBT Block 2 (c/kwh)	Block 2 (51 - 350 Kwh)			1.5321	1,6351	1,8345	1,9959	2,1646
Prepaid - IBT Block 3 (c/kwh)	Block 3 (351 - 600 Kwh)			1.6577	1,7691	1,9849	2,1596	2,3420
Prepaid - IBT Block 4 (c/kwh)	Block 4 (> 600 Kwh)			1.7582	1,8764	2,1052	2,2905	2,4840
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)							
Other								
Waste management tariffs								
Domestic								
Street cleaning charge								
Basic charge/fixed fee		72,50	78,30	83,70	88,64	94,40	100,35	105,58
80l bin - once a week								
250l bin - once a week								

NC091 Sol Plaatje - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Provide description of tariff structure where appropriate	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Exemptions, reductions and rebates *(Rands)*								
Residential properties								
R15 000 threshhold rebate		15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water tariffs								
Domestic	(fill in thresholds)							
Availability vacant serviced land	Availability vacant serviced	120,00	135,00	150,00	170,00	181,00	193,00	206,00
Residential (0-6kl)	Residential (0-6kl)	-	3,80	4,14	4,76	5,07	5,38	5,71
Residential (7-20kl)	Residential (7-20kl)	14,70	16,16	17,60	20,24	21,55	22,87	24,27
Residential (21-40kl)	Residential (21-40kl)	16,55	18,19	19,81	22,78	24,26	25,74	27,31
Residential (41-60kl)	Residential (41-60kl)	17,50	19,23	20,94	24,08	25,65	27,22	28,88
Residential (more than 60kl)	Residential (more than 60kl)	18,70	20,55	22,38	25,74	27,41	29,09	30,86
	(fill in thresholds)							
	(fill in thresholds)							
	(fill in thresholds)							
Waste water tariffs								
Domestic	(fill in structure)							
Basic charge (Rands/month)	(fill in structure)	99,55	109,50	116,65	124,23	132,31	139,94	148,14
Availability vacant serviced land	Availability vacant serviced	87,50	96,20	102,45	109,11	116,20	122,91	130,11
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
	(fill in structure)							
Electricity tariffs								
Domestic	(fill in thresholds)							
Kimpower - conventional	Usage above 552 kwh	205,95	226,52					
Availability vacant serviced land	Availability vacant serviced	120,00	135,00	150,00	170,00	181,00	193,00	206,00
Kimlite 1 - conventional	Kimlite 1 - conventional	1,4108	1,5517					
Kimpower - conventional	Kimpower - conventional	1,0374	1,1410					
Kimlite 1 - prepaid	Kimlite 1 - prepaid	1,3559	1,4914					
Kimlite 2 - prepaid	Kimlite 2 - prepaid	1,4756	1,6230					
Indigents - prepaid	Indigents - prepaid	1,3268	1,4593					
Meter - IBT Block 1 (c/kwh)	Block 1 (0 - 50 Kwh)			1.1177	1,1928	1,3383	1,4561	1,5791
Meter - IBT Block 2 (c/kwh)	Block 2 (51 - 350 Kwh)			1.5321	1,6351	1,8345	1,9959	2,1646
Meter - IBT Block 3 (c/kwh)	Block 3 (351 - 600 Kwh)			1.6577	1,7691	1,9849	2,1596	2,3420
Meter - IBT Block 4 (c/kwh)	Block 4 (> 600 Kwh)			1.7582	1,8764	2,1052	2,2905	2,4840
	(fill in thresholds)							

NC091 Sol Plaatje - Supporting Table SA14 Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	497.89	512.21	557.90	596.87	596.87	596.87	6.5%	478.56	523.06	570.14
Electricity: Basic levy	180.66	198.70								
Electricity: Consumption	910.00	1 000.88	1 432.65	1 538.36	1 538.36	1 538.36	12.2%	1 715.45	1 824.55	1 951.36
Water: Basic levy										
Water: Consumption	293.13	340.22	370.53	426.09	426.09	426.09	6.5%	453.73	476.55	505.52
Sanitation	78.59	86.45	92.09	98.08	98.08	98.08	6.5%	104.46	110.48	116.96
Refuse removal	57.24	61.82	66.08	69.98	69.98	69.98	6.5%	74.53	79.22	83.35
Other										
sub-total	**2 017.51**	**2 200.27**	**2 519.25**	**2 729.39**	**2 729.39**	**2 729.39**	**3.6%**	**2 826.71**	**3 013.87**	**3 227.32**
VAT on Services	212.75	236.33	274.59	298.55	298.55	298.55		328.74	348.71	372.01
Total large household bill:	**2 230.25**	**2 436.59**	**2 793.84**	**3 027.94**	**3 027.94**	**3 027.94**	**4.2%**	**3 155.46**	**3 362.58**	**3 599.33**
% increase/-decrease		**9.3%**	**14.7%**	**8.4%**	**–**	**–**		**4.2%**	**6.6%**	**7.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	335.50	362.66	395.01	422.60	422.60	422.60	6.5%	338.83	369.16	400.87
Electricity: Basic levy										
Electricity: Consumption	621.71	654.12	670.32	715.38	715.38	715.38	12.2%	802.63	873.26	947.05
Water: Basic levy										
Water: Consumption	227.80	268.41	292.33	336.17	336.17	336.17	6.5%	357.96	379.91	403.04
Sanitation	78.59	86.45	92.09	98.08	98.08	98.08	6.5%	104.46	110.48	116.96
Refuse removal	57.24	61.82	66.08	69.98	69.98	69.98	6.5%	74.53	79.22	83.35
Other										
sub-total	**1 320.84**	**1 433.46**	**1 515.84**	**1 642.22**	**1 642.22**	**1 642.22**	**2.2%**	**1 678.41**	**1 812.03**	**1 951.27**
VAT on Services	137.95	149.91	156.92	170.75	170.75	170.75		187.54	202.00	217.06
Total small household bill:	**1 458.79**	**1 583.37**	**1 672.75**	**1 812.96**	**1 812.96**	**1 812.96**	**2.9%**	**1 865.95**	**2 014.03**	**2 168.33**
% increase/-decrease		**8.5%**	**5.6%**	**8.4%**	**–**	**–**		**2.9%**	**7.9%**	**7.7%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	197.15	213.11	232.12	248.33	248.33	248.33	6.5%	199.11	216.93	235.56
Electricity: Basic levy										
Electricity: Consumption	349.16	384.03	385.01	410.89	410.89	410.89	12.2%	402.30	437.71	474.69
Water: Basic levy										
Water: Consumption	162.47	178.61	194.53	223.71	223.71	223.71	6.5%	238.18	252.78	268.18
Sanitation										
Refuse removal										
Other										
sub-total	**708.78**	**775.75**	**811.65**	**882.93**	**882.93**	**882.93**	**(4.9%)**	**839.59**	**907.42**	**978.43**
VAT on Services	71.63	78.77	81.13	88.84	88.84	88.84		89.67	96.67	104.00
Total small household bill:	**780.41**	**854.51**	**892.79**	**971.77**	**971.77**	**971.77**	**(4.4%)**	**929.26**	**1 004.09**	**1 082.44**
% increase/-decrease		**9.5%**	**4.5%**	**8.8%**	**–**	**–**		**(4.4%)**	**8.1%**	**7.8%**

NC091 Sol Plaatje - Supporting Table SA15 Investment particulars by type

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	171 931	336 560	320 607	262 936	262 936	262 936	240 000	265 916	326 737
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	**171 931**	**336 560**	**320 607**	**262 936**	**262 936**	**262 936**	**240 000**	**265 916**	**326 737**
Consolidated total:	**171 931**	**336 560**	**320 607**	**262 936**	**262 936**	**262 936**	**240 000**	**265 916**	**326 737**

NC091 Sol Plaatje - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment
Name of institution & investment ID	Yrs/Months							
Parent municipality								
Absa Bank 20-7127-2547	4 mths	Notice	Yes	Fixed	06.24			17.06.2015
Absa Bank 20-7018-8810	4 mths	Notice	Yes	Fixed	06.60			04.06.2015
Absa Bank 20 -6295-4443	1 yr	Fixed	Yes	Fixed	07.00			24.06.2015
Absa Bank 20-6864-3664	4 mths	Notice	Yes	Fixed	05.41			24.07.2014
Absa Bank 20-7228-1090	4 mths	Notice	Yes	Fixed	06.29			17.03.2015
Absa Bank 20-7291-5615	6 mths	Notice	Yes	Fixed	06.85			02.06.2015
Absa Bank 20-7315-5743	6 mths	Notice	Yes	Fixed	06.77			02.03.2015
Absa Bank 20-7492-4347	4 mths	Notice	Yes	Fixed	06.30			24.06.2015
Absa Bank 20-7325-2802	6 mths	Notice	Yes	Fixed	06.85			09.04.2015
First Rand PVH5206040	4 mths	Notice	Yes	Fixed	06.35			08.06.2015
First Rand PVH4407020	4 mths	Notice	Yes	Fixed	05.475			07.08.2014
First Rand PVH5116008	4 mths	Notice	Yes	Fixed	06.40			18.05.2015
First Rand BJS5216028	4 mths	Notice	Yes	Fixed	06.275			17.06.2015
First Rand PVH4819006	6 mths	Notice	Yes	Fixed	06.35			16.02.2015
First Rand PVH4A09038	6 mths	Notice	Yes	Fixed	06.75			09.04.2015
First Rand PVH5223036	4 mths	Notice	Yes	Fixed	6.375			23.06.2015
First Rand,Nedbank,Standard,Investec,Absa		Call a/c	Yes	Variable	03.80			
Investec Bank DBRK150976870	4 mths	Notice	Yes	Fixed	06.40			29.05.2015
Investec Bank DBMM150677548	4 mths	Notice	Yes	Fixed	06.40			06.06.2015
Investec Bank DB RK141373258	6 mths	Notice	Yes	Fixed	06.85			03.06.2015
Investec Bank DBRK140867202	6 mths	Notice	Yes	Fixed	06.75			09.03.2015
Investec Bank DBRK140866539	6mths	Notice	Yes	Fixed	06.75			02.03.2015
Investec Bank DBRK141569866	6mths	Notice	Yes	Fixed	06.95			15.04.2015
Investec Bank DBRK140453356	6mths	Notice	Yes	Fixed	06.35			14.08.2014
Nedbank 9002324052 INV.125	6 mths	Notice	Yes	Fixed	06.74			09.03.2015
Nedbank 9002324052 INV.124	6 mths	Notice	Yes	Fixed	06.74			04.03.2015
Nedbank 9002324052 INV.118	4 mths	Notice	Yes	Fixed	05.51			24.07.2014
Nedbank 9002324052 INV.130	6 mths	Notice	Yes	Fixed	06.56			04.06.2015
Nedbank 9002324052 INV.131	4 mths	Notice	Yes	Fixed	06.30			23.06.2015
Nedbank 9002324052 INV 129	4mths	Notice	Yes	Fixed	06.25			19.03.2015
Nedbank 9002324052 INV.126	6 mths	Notice	Yes	Fixed	06.69			15.04.2015
Nedbank 9002324052 INV.114	6 mths	Notice	Yes	Fixed	06.20			14.08.2014
Standard Bank 048466271-044	6mths	Notice	Yes	Fixed	06.85			15.04.2015
Standard Bank 048466271-039	12 mths	Fixed	Yes	Fixed	06.95			01.04.2015
Standard Bank 048466271-045	4 mths	Notice	Yes	Fixed	06.55			08.06.2015
Standard Bank 048466271-037	6mths	Notice	Yes	Fixed	06.30			14.08.2014
Standard Bank 048466271-040	4 mths	Notice	Yes	Fixed	06.15			25.07.2014
Municipality sub-total								
TOTAL INVESTMENTS AND INTEREST								

NC091 Sol Plaatje - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Parent municipality									
Long-Term Loans (annuity/reducing balance)	156 472	195 337	237 719	214 736	214 736	214 736	226 841	207 758	191 311
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	**156 472**	**195 337**	**237 719**	**214 736**	**214 736**	**214 736**	**226 841**	**207 758**	**191 311**
Total Borrowing	**156 472**	**195 337**	**237 719**	**214 736**	**214 736**	**214 736**	**226 841**	**207 758**	**191 311**

NC091 Sol Plaatje - Supporting Table SA18 Transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	**145 508**	**157 830**	**157 963**	**155 804**	**157 396**	**157 396**	**154 349**	**146 897**	**148 739**
Local Government Equitable Share	131 806	146 493	145 905	145 440	145 440	145 440	143 335	140 315	142 006
Finance Management	1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement	790	800	890	934	934	934	930	957	1 033
EPWP Incentive	11 462	7 660	6 618	5 330	5 330	5 330	4 984	–	–
Infrastructure Skills Development		1 377	3 000	2 500	4 092	4 092	3 500	4 000	4 000
Provincial Government:	**4 133**	**10 021**	**2 571**	**7 372**	**7 852**	**7 852**	**10 735**	**10 735**	**10 735**
Health subsidy	2 435	2 525	865	2 809	2 809	2 809	2 978	2 978	2 978
		3 100							
COGHSTA	–	3 100	–	–	480	480			
DWA				–	–	–			
Library	1 086	1 295	1 706	4 563	4 563	4 563	7 757	7 757	7 757
Provincial Resort Subsidy	612	–	–	–	–	–			
District Municipality:	**2 218**	**800**	**1 800**	**–**	**3 061**	**3 061**	**–**	**–**	**–**
Frances Baard District Municipality	2 218	800	1 800		3 061	3 061			
Other grant providers:	**2 622**	**1 315**	**2 437**	**1 534**	**1 534**	**1 534**	**1 703**	**1 806**	**1 905**
MIG ops	1 370	1 215	1 337	1 534	1 534	1 534	1 703	1 806	1 905
Other grant providers:	1 253	100	1 100						
Total Operating Transfers and Grants	**154 481**	**169 966**	**164 771**	**164 710**	**169 842**	**169 842**	**166 787**	**159 437**	**161 379**
Capital Transfers and Grants									
National Government:	**71 601**	**97 644**	**70 906**	**78 677**	**78 677**	**78 677**	**64 276**	**63 238**	**63 743**
Municipal Infrastructure Grant (MIG)	45 363	50 674	50 906	45 677	45 677	45 677	46 626	48 393	51 097
Neighbourhood Development Partnership	7 220	–	–	5 000	–	–	5 100	11 800	10 600
EDSM		50	–		–	–			
INEP	18 813	15 086	20 000	3 000	3 000	3 000	7 000	3 045	2 046
Department of Water Affairs	205	31 833	–	25 000	30 000	30 000	5 550	–	–
INEP (Eskom)					–	–			
Provincial Government:	**4 651**	**3 240**	**31 522**	**10 250**	**46 733**	**46 733**	**–**	**–**	**–**
Department of Water Affairs			20 617	5 000	5 000	5 000			
COGHSTA	–	3 240	10 905		36 483	36 483			
DHLG (GURP)	4 651	–	–	5 250	5 250	5 250			
District Municipality:	**2 486**	**1 306**	**4 284**	**–**	**5 000**	**5 000**	**–**	**–**	**–**
Frances Baard District Municipality	2 486	1 306	4 284		5 000	5 000			
Other grant providers:	**24 448**	**7 768**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transnet	24 448	7 768							
Other									
Total Capital Transfers and Grants	**103 186**	**109 958**	**106 712**	**88 927**	**130 411**	**130 411**	**64 276**	**63 238**	**63 743**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**257 668**	**279 924**	**271 484**	**253 637**	**300 253**	**300 253**	**231 063**	**222 676**	**225 122**

NC091 Sol Plaatje - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**145 508**	**157 830**	**157 995**	**155 804**	**157 396**	**–**	**154 349**	**146 897**	**148 739**
Local Government Equitable Share	131 806	146 493	145 905	145 440	145 440		143 335	140 315	142 006
Finance Management	1 450	1 500	1 550	1 600	1 600		1 600	1 625	1 700
Municipal Systems Improvement	790	800	890	934	934		930	957	1 033
EPWP Incentive	11 462	7 660	6 618	5 330	5 330		4 984	–	–
Infrastructure Skills Development	–	1 377	3 032	2 500	4 092		3 500	4 000	4 000
Provincial Government:	**5 386**	**6 920**	**4 369**	**7 372**	**7 852**	**–**	**10 735**	**10 735**	**10 735**
Health subsidy	2 435	2 525	2 663	2 809	2 809		2 978	2 978	2 978
COGHSTA	1 048	3 100	–		480				
DWA	205		–						
Library	1 086	1 295	1 706	4 563	4 563		7 757	7 757	7 757
Provincial Resort Subsidy	612	–	–						
District Municipality:	**2 218**	**800**	**1 800**	**–**	**3 061**	**–**	**–**	**–**	**–**
Frances Baard District Municipality	2 218	800	1 800		3 061				
Other grant providers:	**1 370**	**1 315**	**2 437**	**1 534**	**1 534**	**–**	**1 703**	**1 806**	**1 905**
MIG ops	1 370	1 215	1 337	1 534	1 534		1 703	1 806	1 905
Other grant providers:		100	1 100						
Total operating expenditure of Transfers and Grants:	**154 482**	**166 865**	**166 601**	**164 710**	**169 842**	**–**	**166 787**	**159 437**	**161 379**
Capital expenditure of Transfers and Grants									
National Government:	**70 026**	**97 644**	**99 126**	**78 677**	**78 677**	**78 677**	**64 276**	**63 238**	**63 743**
Municipal Infrastructure Grant (MIG)	43 993	50 674	54 045	45 677	45 677	45 677	46 626	48 393	51 097
Neighbourhood Development Partnership	7 220		7 220	5 000	–	–	5 100	11 800	10 600
EDSM		50	4 948		–	–			
INEP	18 813	15 086	32 914	3 000	3 000	3 000	7 000	3 045	2 046
Department of Water Affairs		31 833		25 000	30 000	30 000	5 550	–	–
INEP (Eskom)					–	–			
Provincial Government:	**3 604**	**3 240**	**36 743**	**10 250**	**46 733**	**46 733**	**–**	**–**	**–**
Department of Water Affairs			20 617	5 000	5 000	5 000			
COGHSTA		3 240	15 165		36 483	36 483			
DHLG (GURP)	3 604		960	5 250	5 250	5 250			
District Municipality:	**–**	**1 306**	**4 284**	**–**	**5 000**	**5 000**	**–**	**–**	**–**
Frances Baard District Municipality		1 306	4 284		5 000	5 000			
Other grant providers:	**29 557**	**7 768**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transnet	24 448	7 768							
Other	5 109								
Total capital expenditure of Transfers and Grants	**103 187**	**109 958**	**140 153**	**88 927**	**130 411**	**130 411**	**64 276**	**63 238**	**63 743**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**257 669**	**276 823**	**306 754**	**253 637**	**300 253**	**130 411**	**231 063**	**222 676**	**225 122**

NC091 Sol Plaatje - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year			1 624						
Current year receipts	145 508	157 830	156 371	157 338	158 929	158 929	154 349	146 897	148 739
Conditions met - transferred to revenue	**145 508**	**157 830**	**157 995**	**157 338**	**158 929**	**158 929**	**154 349**	**146 897**	**148 739**
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	5 386	6 920	4 369	7 372	7 852	7 852	10 735	10 735	10 735
Conditions met - transferred to revenue	**5 386**	**6 920**	**4 369**	**7 372**	**7 852**	**7 852**	**10 735**	**10 735**	**10 735**
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts	2 218	800	1 800		3 061	3 061	–	–	–
Conditions met - transferred to revenue	**2 218**	**800**	**1 800**	**–**	**3 061**	**3 061**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts	1 370	1 315	2 437				1 703	1 806	1 905
Conditions met - transferred to revenue	**1 370**	**1 315**	**2 437**	**–**	**–**	**–**	**1 703**	**1 806**	**1 905**
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	**154 482**	**166 865**	**166 601**	**164 710**	**169 842**	**169 842**	**166 787**	**159 437**	**161 379**
Total operating transfers and grants - CTBM	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	8 030		3 138						
Current year receipts	57 614	97 644	95 988	78 677	78 677	78 677	64 276	63 238	63 743
Conditions met - transferred to revenue	**58 424**	**97 644**	**99 126**	**78 677**	**78 677**	**78 677**	**64 276**	**63 238**	**63 743**
Conditions still to be met - transferred to liabilities	7 220								
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	3 604	3 240	36 743	10 250	46 733	46 733	–	–	–
Conditions met - transferred to revenue	**3 604**	**3 240**	**36 743**	**10 250**	**46 733**	**46 733**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year	1 209								
Current year receipts	1 009	1 306	4 284		5 000	5 000	–	–	–
Conditions met - transferred to revenue	**2 218**	**1 306**	**4 284**	**–**	**5 000**	**5 000**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts	21 350	7 768	–				–	–	–
Conditions met - transferred to revenue	**21 350**	**7 768**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	**85 596**	**109 958**	**140 153**	**88 927**	**130 411**	**130 411**	**64 276**	**63 238**	**63 743**
Total capital transfers and grants - CTBM	**7 220**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE	**240 078**	**276 823**	**306 754**	**253 637**	**300 253**	**300 253**	**231 063**	**222 676**	**225 122**
TOTAL TRANSFERS AND GRANTS - CTBM	**7 220**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

NC091 Sol Plaatje - Supporting Table SA21 Transfers and grants made by the municipality

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Transfers to Organisations										
SPCA	550	650	1 170	1 300	1 350	1 350		1 400	1 400	1 400
Donation Keep Kimberley Clean		110	120	150	150	150		160	170	180
Sol Plaatje Educational trust		177	188	200	200	200		210	220	230
Gariep Festival	1 000	1 000	1 100	1 300	1 300	1 300		1 000	1 000	1 000
Diamond and Dorings Festival	1 000	676	1 500	1 300	1 600	1 600		1 800	1 800	1 800
Wildeklawer Tournament (Mayoral Gala)				100	220	220		120		
Arts and Culture				200	200	200		100	160	140
Local Sport Development						–		160	200	200
Grant Griqua Diamonds (Cricket)			100		100	100				
Meals on wheels					50	50				
South African Junior Chess Championships					100	100				
Other	357	10	75	200	100	100		100	100	100
Total Cash Transfers To Organisations	**2 907**	**2 623**	**4 253**	**4 750**	**5 370**	**5 370**	**–**	**5 050**	**5 050**	**5 050**
Cash Transfers to Groups of Individuals										
Insert description										
Total Cash Transfers To Groups Of Individuals:	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL CASH TRANSFERS AND GRANTS	**2 907**	**2 623**	**4 253**	**4 750**	**5 370**	**5 370**	**–**	**5 050**	**5 050**	**5 050**
Groups of Individuals										
Indigent Subsidy			15 311	50 000	50 000	50 000		50 000	53 250	56 445
Total Non-Cash Grants To Groups Of Individuals:	**–**	**–**	**15 311**	**50 000**	**50 000**	**50 000**	**–**	**50 000**	**53 250**	**56 445**
TOTAL NON-CASH TRANSFERS AND GRANTS	**–**	**–**	**15 311**	**50 000**	**50 000**	**50 000**	**–**	**50 000**	**53 250**	**56 445**
TOTAL TRANSFERS AND GRANTS	**2 907**	**2 623**	**19 564**	**54 750**	**55 370**	**55 370**	**–**	**55 050**	**58 300**	**61 495**

NC091 Sol Plaatje - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	16 415	17 243	12 114	18 300	18 300	18 300	19 580	20 755	22 001
Pension and UIF Contributions			797						
Medical Aid Contributions			460						
Motor Vehicle Allowance			3 554						
Cellphone Allowance			1 534						
Housing Allowances									
Other benefits and allowances				1 668	1 668	1 668	1 785	1 892	2 005
Sub Total - Councillors	**16 415**	**17 243**	**18 459**	**19 968**	**19 968**	**19 968**	**21 365**	**22 647**	**24 006**
% increase		**5.0%**	**7.1%**	**8.2%**	**–**	**–**	**7.0%**	**6.0%**	**6.0%**
Senior Managers of the Municipality									
Basic Salaries and Wages	4 276	5 189	5 130	6 390	6 390	6 390	8 595	9 154	9 703
Pension and UIF Contributions	664	790	815	1 168	1 168	1 168	1 540	1 640	1 739
Medical Aid Contributions	173	208	192	215	215	215	214	228	242
Overtime					–	–	–		
Performance Bonus					–	–	–		
Motor Vehicle Allowance	1 793	1 793	2 008	1 992	1 992	1 992	2 482	2 482	2 482
Cellphone Allowance			102		–	–	–		
Housing Allowances	57	61	55	36	36	36	43	46	49
Other benefits and allowances	987	599	309	828	828	828	1 022	1 088	1 153
Payments in lieu of leave			74		–	–			
Long service awards			29		–	–			
Post-retirement benefit obligations					–	–			
Sub Total - Senior Managers of Municipality	**7 950**	**8 639**	**8 713**	**10 628**	**10 628**	**10 628**	**13 896**	**14 638**	**15 368**
% increase		**8.7%**	**0.9%**	**22.0%**	**–**	**–**	**30.8%**	**5.3%**	**5.0%**
Other Municipal Staff									
Basic Salaries and Wages	219 673	230 550	249 375	293 953	296 453	296 453	316 508	335 889	354 809
Pension and UIF Contributions	34 189	35 642	55 411	47 571	47 571	47 571	51 332	54 474	57 541
Medical Aid Contributions	28 227	30 509	29 797	37 026	37 026	37 026	39 250	41 674	44 043
Overtime	14 638	18 532	21 433	17 549	19 049	19 049	17 635	18 707	19 751
Performance Bonus					–	–	–	–	–
Motor Vehicle Allowance	21 874	25 794	28 851	27 936	27 936	27 936	37 205	39 651	42 039
Cellphone Allowance					–	–	–	–	–
Housing Allowances	1 847	1 867	1 615	1 966	1 966	1 966	1 926	2 044	2 160
Other benefits and allowances	33 040	41 537	40 979	47 684	47 684	47 684	54 196	57 502	60 736
Payments in lieu of leave	6 289	–	8 664	7 500	7 500	7 500	10 000	10 650	11 289
Long service awards	7 657	8 411	9 075	11 404	11 404	11 404	12 411	13 169	13 909
Post-retirement benefit obligations	31 957	33 947	21 669	44 406	44 406	44 406	42 894	46 656	50 779
Sub Total - Other Municipal Staff	**399 392**	**426 789**	**466 870**	**536 996**	**540 996**	**540 996**	**583 358**	**620 418**	**657 056**
% increase		**6.9%**	**9.4%**	**15.0%**	**0.7%**	**–**	**7.8%**	**6.4%**	**5.9%**
Total Parent Municipality	**423 757**	**452 671**	**494 042**	**567 591**	**571 591**	**571 591**	**618 619**	**657 703**	**696 430**
		6.8%	**9.1%**	**14.9%**	**0.7%**	**–**	**8.2%**	**6.3%**	**5.9%**
Board Members of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Board Members of Entities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Senior Managers of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Senior Managers of Entities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other Staff of Entities									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance									
Cellphone Allowance									
Housing Allowances									
Other benefits and allowances									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations									
Sub Total - Other Staff of Entities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Municipal Entities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL SALARY, ALLOWANCES & BENEFITS	**423 757**	**452 671**	**494 042**	**567 591**	**571 591**	**571 591**	**618 619**	**657 703**	**696 430**
% increase		**6.8%**	**9.1%**	**14.9%**	**0.7%**	**–**	**8.2%**	**6.3%**	**5.9%**
TOTAL MANAGERS AND STAFF	**407 342**	**435 428**	**475 583**	**547 624**	**551 624**	**551 624**	**597 254**	**635 056**	**672 424**

NC091 Sol Plaatje - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors							
Speaker		644 624		52 001			696 625
Chief Whip							–
Executive Mayor		805 782		52 001			857 783
Deputy Executive Mayor							–
Executive Committee		12 086 709		1 400 671			13 487 380
Total for all other councillors		6 043 366		280 134			6 323 500
Total Councillors	**–**	**19 580 481**	**–**	**1 784 807**			**21 365 288**
Senior Managers of the Municipality							
Municipal Manager (MM)		1 583 467	292 826	175 200			2 051 493
Chief Finance Officer		1 057 567	320 363	374 616			1 752 546
Director: Infrastructure		1 057 567	320 363	374 616			1 752 546
Director: Community Services		1 057 567	320 363	374 616			1 752 546
Director: Strategy		1 057 567	320 363	374 616			1 752 546
Director: Corporate Services		759 609	157 070	336 208			1 252 887
List of each offical with packages >= senior manager							
Head: IDP		673 895	187 695	377 744			1 239 334
Head: Internal Audit & Performance Management		673 895	125 669	355 507			1 155 071
Head: Office of PMU		673 895	151 156	361 831			1 186 881
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
Total Senior Managers of the Municipality	**–**	**8 595 028**	**2 195 868**	**3 104 954**	**–**		**13 895 849**
A Heading for Each Entity							
List each member of board by designation							
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
							–
Total for municipal entities	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**–**	**28 175 509**	**2 195 868**	**4 889 761**	**–**		**35 261 137**

NC091 Sol Plaatje - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	62	62		62	62		62	62	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	9	9		9	8		9	9	
Other Managers	82	61	4	87	65	4	87	64	4
Professionals	*67*	*48*	*1*	*164*	*74*	*10*	*164*	*74*	*10*
Finance	20	16		19	13	–	19	13	–
Spatial/town planning	5	3		7	2	2	7	2	2
Information Technology	3	2		8	4	2	8	4	2
Roads	1	1		4	2	2	4	2	2
Electricity				9	8	–	9	8	–
Water	2	2		2	2	–	2	2	–
Sanitation	2	1		3	2	1	3	2	1
Refuse				–	–	–	–	–	–
Other	34	23	1	112	41	3	112	41	3
Technicians	*149*	*56*	*6*	*267*	*172*	*18*	*267*	*172*	*18*
Finance				8	6	–	8	6	–
Spatial/town planning	7	5		16	14	–	16	14	–
Information Technology	3	3		5	4	1	5	4	1
Roads	7	5		6	4	–	6	4	–
Electricity	9	7		163	96	13	163	96	13
Water	2	2		10	3	2	10	3	2
Sanitation	3	3		29	23	–	29	23	–
Refuse	1		1	1	–	1	1	–	1
Other	117	31	5	29	22	1	29	22	1
Clerks (Clerical and administrative)	521	366	64	524	323	74	524	323	74
Service and sales workers	246	140	66	115	75	12	115	75	12
Skilled agricultural and fishery workers	9	7	1	151	126	2	151	126	2
Craft and related trades	130	79	2						
Plant and Machine Operators	170	117	9	148	92	7	148	92	7
Elementary Occupations	1 072	675	150	1 009	587	157	1 009	587	157
TOTAL PERSONNEL NUMBERS	**2 517**	**1 620**	**303**	**2 536**	**1 584**	**284**	**2 536**	**1 584**	**284**
% increase				0.8%	(2.2%)	(6.3%)	–	–	–
Total municipal employees headcount	**2 455**	**1 543**	**303**	**2 474**	**1 522**	**284**	**2 474**	**1 522**	**284**
Finance personnel headcount	**315**	**230**	**27**	**348**	**227**	**41**	**348**	**227**	**41**
Human Resources personnel headcount	**14**	**11**	**1**	**14**	**12**	**–**	**14**	**12**	**–**

NC091 Sol Plaatje - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	190 393	21 022	20 909	21 706	21 317	21 317	21 356	21 362	21 271	21 271	21 271	20 613	423 808	461 721	501 361
Property rates - penalties & collection charges												–	–	–	–
Service charges - electricity revenue	66 795	65 086	44 926	48 061	48 002	47 436	52 166	51 600	47 349	56 325	57 379	66 462	651 586	708 906	768 813
Service charges - water revenue	15 002	17 099	16 957	20 484	20 570	24 653	24 837	23 935	20 000	20 000	20 000	21 797	245 333	260 367	276 234
Service charges - sanitation revenue	5 996	6 705	5 981	5 976	5 958	6 019	5 960	5 993	6 085	6 085	6 085	5 702	72 545	76 730	81 230
Service charges - refuse revenue	4 213	4 291	4 185	4 184	4 189	4 218	4 163	4 214	4 206	4 206	4 206	4 152	50 428	53 607	56 397
Service charges - other												–	–	–	–
Rental of facilities and equipment	1 300	1 279	1 404	1 485	1 360	1 478	2 018	1 227	1 475	1 475	1 475	3 207	19 182	20 370	21 520
Interest earned - external investments		1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	4 000	16 000	20 000	22 000
Interest earned - outstanding debtors	3 676	3 870	5 296	5 367	3 673	4 879	4 145	4 381	3 558	3 558	3 558	4 038	50 000	49 000	47 000
Dividends received												–	–	–	–
Fines	868	868	868	868	868	868	868	868	868	868	868	868	10 419	11 037	11 637
Licences and permits	207	257	255	250	161	143	350	311	282	282	282	214	2 995	3 176	3 352
Agency services	483	483	483	483	483	483	483	483	483	483	483	483	5 800	6 298	6 844
Transfers recognised - operational	56 881	–	–	–	51 146	–	–	4 814	41 556	–	–	12 390	166 787	159 437	161 379
Other revenue	3 027	2 785	3 027	3 027	3 027	3 027	3 027	3 027	3 027	3 027	3 027	1 281	34 336	36 438	38 704
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and contrib	**348 840**	**124 946**	**105 491**	**113 092**	**161 956**	**115 722**	**120 573**	**123 415**	**151 362**	**118 782**	**119 835**	**145 207**	**1 749 221**	**1 867 087**	**1 996 471**
Expenditure By Type															
Employee related costs	42 157	43 421	40 964	42 816	45 187	53 499	42 751	45 450	44 399	44 399	44 399	107 811	597 254	635 056	672 424
Remuneration of councillors	1 646	1 646	1 646	1 625	1 661	1 650	1 650	1 645	1 646	1 646	1 646	3 256	21 365	22 647	24 006
Debt impairment	161 000											–	161 000	174 300	187 126
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–	–	53 600	53 600	60 019	64 678
Finance charges						14 895						14 895	29 790	28 514	26 779
Bulk purchases	48 000	52 205	54 074	33 678	34 570	34 357	35 022	36 796	32 646	32 683	25 004	41 964	461 000	505 780	554 932
Other materials	3 561	7 415	6 976	7 236	5 128	9 648	3 627	7 703	8 890	7 108	7 108	7 104	81 503	88 481	94 963
Contracted services												–	–	–	–
Transfers and grants	6 967	4 637	4 167	4 167	4 167	4 167	4 167	4 167	5 567	4 167	4 167	4 543	55 050	58 300	61 495
Other expenditure	22 045	23 428	23 969	23 458	21 953	22 689	21 326	21 320	21 698	23 000	24 000	28 895	277 780	285 785	301 826
Loss on disposal of PPE												–	–	–	–
Total Expenditure	**285 376**	**132 752**	**131 796**	**112 981**	**112 666**	**140 905**	**108 543**	**117 080**	**114 846**	**113 004**	**106 325**	**262 068**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit)	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(116 861)**	**10 878**	**8 205**	**8 243**
Transfers recognised - capital												64 276	64 276	63 238	63 743
Contributions recognised - capital												–	–	–	–
Contributed assets												–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 182)**	**12 030**	**6 334**	**36 516**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - EXECUTIVE AND COUNCIL	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - MUNICIPAL AND GENERAL	64 576	8 581	10 462	9 196	54 819	8 710	8 580	5 724	45 114	8 151	8 151	50 230	282 294	276 450	278 839
Vote 3 - MUNICIPAL MANAGER	–	–	–	–	–	–	–	–	–	–	–	1 703	1 703	1 806	1 905
Vote 4 - CORPORATE SERVICES	44	105	217	278	210	362	194	1 269	201	201	201	4 099	7 382	8 120	8 563
Vote 5 - COMMUNITY SERVICES	1 900	1 989	1 572	2 926	2 065	2 412	2 530	7 858	1 900	1 900	1 900	11 429	40 381	42 278	44 184
Vote 6 - FINANCIAL SERVICES	190 393	21 022	20 909	21 706	21 317	21 317	21 356	21 362	21 271	21 271	21 271	35 811	439 006	477 787	518 380
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	216	597	665	675	608	610	841	947	642	642	642	1 240	8 325	8 855	9 374
Vote 8 - INFRASTRUCTURE AND SERVICES	91 711	92 651	71 667	78 311	82 935	82 310	87 074	86 256	82 233	86 616	87 670	104 970	1 034 405	1 115 028	1 198 970
Total Revenue by Vote	**348 840**	**124 946**	**105 491**	**113 092**	**161 955**	**115 722**	**120 574**	**123 415**	**151 362**	**118 782**	**119 835**	**209 483**	**1 813 496**	**1 930 325**	**2 060 214**
Expenditure by Vote to be appropriated															
Vote 1 - EXECUTIVE AND COUNCIL	3 409	3 434	3 567	3 297	3 357	3 521	3 176	3 210	3 371	3 367	3 358	2 825	39 893	42 286	44 725
Vote 2 - MUNICIPAL AND GENERAL	74 271	12 384	12 506	12 752	13 360	16 022	9 409	14 037	12 924	12 924	12 992	113 550	317 131	327 442	346 134
Vote 3 - MUNICIPAL MANAGER	1 235	1 360	1 220	1 244	1 152	1 460	1 122	1 058	1 231	1 231	1 215	3 247	16 774	17 780	18 758
Vote 4 - CORPORATE SERVICES	4 466	5 181	4 953	4 923	4 846	5 526	4 666	5 379	4 993	5 058	5 043	5 683	60 717	64 650	68 222
Vote 5 - COMMUNITY SERVICES	12 260	14 375	14 285	14 393	14 807	17 694	14 562	13 854	14 529	14 812	14 867	20 118	180 556	190 933	201 076
Vote 6 - FINANCIAL SERVICES	8 563	8 181	9 496	8 975	8 501	9 865	8 112	7 931	8 703	8 721	8 788	16 721	112 557	119 593	126 572
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	2 622	3 684	3 414	3 528	3 075	3 817	2 919	3 430	3 311	3 397	3 361	5 641	42 198	44 882	47 540
Vote 8 - INFRASTRUCTURE AND SERVICES	178 548	84 154	82 357	63 870	63 567	83 000	64 576	68 182	65 784	63 494	56 702	94 283	968 517	1 051 316	1 135 200
Total Expenditure by Vote	**285 376**	**132 753**	**131 796**	**112 981**	**112 665**	**140 905**	**108 543**	**117 080**	**114 846**	**113 004**	**106 325**	**262 067**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) before assoc.	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 183)**	**12 031**	**6 335**	**36 515**	**5 777**	**13 509**	**(52 583)**	**75 154**	**71 443**	**71 986**
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**63 464**	**(7 807)**	**(26 305)**	**111**	**49 290**	**(25 183)**	**12 031**	**6 335**	**36 515**	**5 777**	**13 509**	**(52 583)**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
Governance and administration	**250 893**	**29 731**	**27 615**	**29 540**	**76 972**	**27 976**	**26 263**	**28 337**	**66 586**	**29 623**	**29 623**	**107 466**	**730 625**	**764 418**	**807 955**
Executive and council	60 440	8 580	6 474	7 524	55 414	6 281	4 687	5 691	45 114	8 151	8 151	67 490	283 997	278 256	280 744
Budget and treasury office	190 393	21 022	20 909	21 706	21 317	21 317	21 356	21 362	21 271	21 271	21 271	27 088	430 284	468 498	508 533
Corporate services	60	130	232	309	241	378	221	1 284	201	201	201	12 887	16 344	17 664	18 678
Community and public safety	**3 422**	**1 566**	**1 892**	**2 124**	**1 851**	**1 787**	**2 244**	**6 357**	**1 745**	**1 745**	**1 745**	**14 562**	**41 042**	**42 862**	**44 627**
Community and social services	565	543	559	629	840	616	436	5 449	598	598	598	10 230	21 665	22 469	23 251
Sport and recreation	146	120	215	371	198	382	1 021	112	351	351	351	2 935	6 553	6 945	7 325
Public safety	27	4	1	6	27	3	3	9	10	10	10	340	451	478	504
Housing	783	783	783	783	783	783	783	783	783	783	783	783	9 396	9 993	10 569
Health	1 900	116	333	335	4	3	–	3	3	3	3	274	2 978	2 978	2 978
Economic and environmental services	**1 175**	**1 046**	**768**	**1 263**	**1 201**	**1 628**	**1 292**	**1 105**	**747**	**747**	**747**	**264**	**11 986**	**12 863**	**13 780**
Planning and development	175	206	280	263	162	230	186	572	215	215	215	270	2 990	3 174	3 354
Road transport	1 000	840	488	1 000	1 039	1 398	1 106	533	533	533	533	(6)	8 996	9 688	10 425
Environmental protection	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services	**93 326**	**92 238**	**74 851**	**79 789**	**81 520**	**83 971**	**90 151**	**87 266**	**81 922**	**86 305**	**87 359**	**86 050**	**1 024 748**	**1 104 756**	**1 188 102**
Electricity	67 696	64 617	47 332	48 735	48 002	47 436	52 166	52 668	50 787	56 014	57 068	59 074	651 594	708 914	768 821
Water	15 002	16 257	16 957	20 484	22 970	25 910	27 477	24 022	20 844	20 000	20 000	15 412	245 334	260 368	276 235
Waste water management	6 105	6 763	6 070	6 078	6 051	6 099	6 037	6 071	6 085	6 085	6 085	6 164	73 691	77 945	82 512
Waste management	4 523	4 601	4 492	4 492	4 497	4 526	4 471	4 506	4 206	4 206	4 206	5 402	54 128	57 529	60 535
Other	**24**	**363**	**365**	**376**	**412**	**360**	**623**	**350**	**360**	**360**	**360**	**1 142**	**5 095**	**5 426**	**5 751**
Total Revenue - Standard	**348 840**	**124 945**	**105 491**	**113 093**	**161 955**	**115 722**	**120 573**	**123 415**	**151 362**	**118 782**	**119 835**	**209 483**	**1 813 496**	**1 930 325**	**2 060 214**
Expenditure - Standard															
Governance and administration	**91 929**	**32 308**	**31 759**	**31 192**	**31 219**	**36 413**	**26 534**	**31 611**	**30 989**	**30 989**	**37 608**	**136 524**	**549 075**	**573 876**	**606 653**
Executive and council	78 828	18 850	17 211	17 212	17 786	20 904	13 643	18 220	17 303	17 303	23 922	112 616	373 797	387 508	409 617
Budget and treasury office	7 220	7 479	8 668	7 906	7 762	8 969	7 414	7 390	8 772	8 772	8 772	13 269	102 394	108 770	115 099
Corporate services	5 882	5 979	5 879	6 074	5 671	6 539	5 477	6 001	4 914	4 914	4 914	10 639	72 884	77 597	81 936
Community and public safety	**13 482**	**16 065**	**15 733**	**16 026**	**16 630**	**19 637**	**16 296**	**13 658**	**15 240**	**18 707**	**15 437**	**36 121**	**213 033**	**226 229**	**239 350**
Community and social services	5 058	5 870	5 747	5 822	5 872	7 526	5 916	5 791	5 973	5 973	5 973	9 798	75 318	79 556	83 693
Sport and recreation	2 857	3 768	3 960	4 099	4 476	4 930	4 304	3 798	3 312	3 312	3 312	2 118	44 245	46 705	49 096
Public safety	2 024	3 034	2 529	2 710	2 816	3 149	2 763	847	2 521	5 987	2 718	20 366	51 465	55 330	59 345
Housing	1 816	1 816	1 816	1 816	2 016	2 216	1 816	1 816	1 816	1 816	1 816	1 221	21 797	23 190	24 562
Health	1 727	1 578	1 681	1 579	1 449	1 816	1 498	1 406	1 618	1 618	1 618	2 619	20 208	21 448	22 654
Economic and environmental services	**6 398**	**9 171**	**9 373**	**8 983**	**6 374**	**10 804**	**6 180**	**6 711**	**8 183**	**8 183**	**8 183**	**9 858**	**98 400**	**104 616**	**110 970**
Planning and development	1 932	2 586	2 380	2 400	2 129	2 627	2 013	2 283	2 295	2 295	2 295	5 077	30 313	32 255	34 183
Road transport	4 465	6 585	6 993	6 583	4 245	8 176	4 167	4 428	5 888	5 888	5 888	4 781	68 087	72 362	76 787
Environmental protection												–	–	–	–
Trading services	**173 022**	**74 285**	**74 081**	**55 817**	**57 660**	**73 067**	**58 812**	**64 114**	**59 610**	**54 301**	**44 273**	**78 913**	**867 954**	**943 658**	**1 020 139**
Electricity	134 924	57 644	49 350	31 235	32 657	44 546	34 643	39 595	35 493	30 147	21 833	56 061	568 128	620 993	675 514
Water	31 832	7 650	15 379	15 379	15 379	17 515	17 190	16 915	15 342	15 379	13 664	11 226	192 848	206 279	220 400
Waste water management	3 290	4 331	4 656	4 973	4 204	6 028	3 525	4 441	4 430	4 430	4 430	8 513	57 250	63 856	68 690
Waste management	2 976	4 661	4 697	4 230	5 420	4 978	3 455	3 164	4 345	4 345	4 345	3 113	49 728	52 529	55 535
Other	**545**	**922**	**851**	**965**	**783**	**983**	**720**	**986**	**824**	**824**	**824**	**653**	**9 881**	**10 503**	**11 116**
Total Expenditure - Standard	**285 375**	**132 752**	**131 796**	**112 981**	**112 665**	**140 904**	**108 543**	**117 080**	**114 846**	**113 004**	**106 325**	**262 069**	**1 738 342**	**1 858 882**	**1 988 228**
Surplus/(Deficit) before assoc.	**63 464**	**(7 807)**	**(26 305)**	**112**	**49 290**	**(25 182)**	**12 031**	**6 334**	**36 515**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	**63 464**	**(7 807)**	**(26 305)**	**112**	**49 290**	**(25 182)**	**12 031**	**6 334**	**36 515**	**5 778**	**13 510**	**(52 586)**	**75 154**	**71 443**	**71 986**

NC091 Sol Plaatje - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure *to be appropriated*															
Vote 1 - EXECUTIVE AND COUNCIL												–	–	–	–
Vote 2 - MUNICIPAL AND GENERAL												–	–	–	–
Vote 3 - MUNICIPAL MANAGER												–	–	–	–
Vote 4 - CORPORATE SERVICES												–	–	–	–
Vote 5 - COMMUNITY SERVICES												–	–	–	–
Vote 6 - FINANCIAL SERVICES												–	–	–	–
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING												–	–	–	–
Vote 8 - INFRASTRUCTURE AND SERVICES	1 500	1 876	2 100	2 546	2 897	3 102	3 546	3 789	3 897	4 100	5 102	10 598	45 053	27 812	3 876
Capital multi-year expenditure sub-total	**1 500**	**1 876**	**2 100**	**2 546**	**2 897**	**3 102**	**3 546**	**3 789**	**3 897**	**4 100**	**5 102**	**10 598**	**45 053**	**27 812**	**3 876**
Single-year expenditure *to be appropriated*															
Vote 1 - EXECUTIVE AND COUNCIL											3 000	–	3 000	3 000	3 000
Vote 2 - MUNICIPAL AND GENERAL												–	–	–	–
Vote 3 - MUNICIPAL MANAGER												–	–	–	–
Vote 4 - CORPORATE SERVICES												–	–	–	–
Vote 5 - COMMUNITY SERVICES	879	891	949	978	989	1 000	1 200	1 234	1 532	1 648	1 895	1 901	15 096	9 136	966
Vote 6 - FINANCIAL SERVICES	150	167	198	210	234	256	289	301	356	450	599	1 290	4 500	1 500	2 000
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	250	296	301	346	387	415	456	523	645	1 500	1 750	2 231	9 100	13 800	12 600
Vote 8 - INFRASTRUCTURE AND SERVICES	324	919	1 221	1 481	2 446	2 902	3 102	4 796	6 844	7 282	2 036	1 607	34 960	46 372	62 204
Capital single-year expenditure sub-total	**1 603**	**2 273**	**2 669**	**3 015**	**4 056**	**4 573**	**5 047**	**6 854**	**9 377**	**10 880**	**9 280**	**7 029**	**66 656**	**73 808**	**80 770**
Total Capital Expenditure	**3 103**	**4 149**	**4 769**	**5 561**	**6 953**	**7 675**	**8 593**	**10 643**	**13 274**	**14 980**	**14 382**	**17 627**	**111 709**	**101 620**	**84 646**

NC091 Sol Plaatje - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	**100**	**250**	**315**	**367**	**420**	**420**	**423**	**430**	**430**	**450**	**461**	**3 434**	**7 500**	**4 500**	**5 000**
Executive and council												3 000	3 000	3 000	3 000
Budget and treasury office	100	250	315	367	420	420	423	430	430	450	461	434	4 500	1 500	2 000
Corporate services												–	–	–	–
Community and public safety	**450**	**512**	**600**	**645**	**712**	**735**	**1 010**	**1 552**	**2 186**	**2 200**	**2 210**	**2 284**	**15 096**	**9 136**	**966**
Community and social services	450	512	600	645	712	735	1 010	1 352	1 986	2 000	2 010	2 084	14 096	442	–
Sport and recreation												–	–	–	–
Public safety								200	200	200	200	200	1 000	8 694	966
Housing												–	–	–	–
Health												–	–	–	–
Economic and environmental services	**150**	**187**	**222**	**254**	**301**	**368**	**459**	**879**	**1 500**	**1 550**	**1 872**	**1 358**	**9 100**	**13 800**	**28 591**
Planning and development	150	187	222	254	301	368	459	879	1 500	1 550	1 872	1 358	9 100	13 800	12 600
Road transport												–	–	–	15 991
Environmental protection												–	–	–	–
Trading services	**2 403**	**3 200**	**3 632**	**4 295**	**5 520**	**6 152**	**6 701**	**7 782**	**9 158**	**10 780**	**5 839**	**10 550**	**76 012**	**70 184**	**46 089**
Electricity	250	320	370	450	455	500	689	782	1 068	2 430	2 750	1 436	11 500	6 045	5 046
Water	478	570	612	745	865	902	1 012	1 500	1 890	2 150	2 500	2 236	15 460	36 781	38 217
Waste water management	1 675	2 310	2 650	3 100	4 200	4 750	5 000	5 500	6 200	6 200	589	6 879	49 053	27 359	2 825
Waste management												–	–	–	–
Other											**4 000**	**–**	**4 000**	**4 000**	**4 000**
Total Capital Expenditure - Standard	**3 103**	**4 149**	**4 769**	**5 561**	**6 953**	**7 675**	**8 593**	**10 643**	**13 274**	**14 980**	**14 382**	**17 627**	**111 709**	**101 620**	**84 646**
Funded by:															
National Government	1 650	2 696	2 716	1 608	3 000	6 222	6 140	6 690	7 321	9 027	6 929	**10 274**	**64 276**	**63 238**	**63 743**
Provincial Government												–	–	–	–
District Municipality												–	–	–	–
Other transfers and grants												–	–	–	–
Transfers recognised - capital	**1 650**	**2 696**	**2 716**	**1 608**	**3 000**	**6 222**	**6 140**	**6 690**	**7 321**	**9 027**	**6 929**	**10 274**	**64 276**	**63 238**	**63 743**
Public contributions & donations												–	–	–	–
Borrowing												–	–	–	–
Internally generated funds	1 453	1 453	2 053	3 953	3 953	1 453	2 453	3 953	5 953	5 953	7 453	7 353	47 433	38 382	20 903
Total Capital Funding	**3 103**	**4 149**	**4 769**	**5 561**	**6 953**	**7 675**	**8 593**	**10 643**	**13 274**	**14 980**	**14 382**	**17 627**	**111 709**	**101 620**	**84 646**

NC091 Sol Plaatje - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	19 751	21 877	144 652	19 751	21 877	19 751	21 877	19 751	21 877	21 877	21 877	22 271	377 189	409 546	445 710
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–				–			
Service charges - electricity revenue	62 486	62 770	49 598	43 896	42 389	42 389	42 832	42 389	41 389	41 389	43 389	61 736	576 654	627 382	684 244
Service charges - water revenue	9 363	8 505	10 466	10 677	16 571	22 571	22 571	18 893	15 893	14 893	13 893	54 053	218 346	230 425	245 848
Service charges - sanitation revenue	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 380	5 381	64 565	67 906	72 295
Service charges - refuse revenue	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 734	3 805	44 881	47 442	50 194
Service charges - other	–	–	–	–	–	–	–	–				–			
Rental of facilities and equipment	1 220	1 201	1 318	1 394	1 277	1 388	1 895	1 152	1 652	1 552	1 652	3 480	19 182	20 370	21 520
Interest earned - external investments	–	660	1 384	2 313	247	857	507	1 213	1 213	1 213	1 213	5 180	16 000	20 000	22 000
Interest earned - outstanding debtors	833	833	833	833	833	833	833	833	833	833	833	833	10 000	9 800	13 160
Dividends received	–	–	–	–	–	–	–	–				–	–	–	–
Fines	316	231	233	453	595	398	203	374	374	374	374	1 284	5 210	5 518	5 818
Licences and permits	194	241	240	322	151	135	574	292	181	191	251	223	2 995	3 176	3 352
Agency services	870	519	150	150	150	643	643	643	165	643	643	580	5 800	6 298	6 844
Transfer receipts - operational	56 881	–	–	–	51 146	–	–	4 814	41 556	–	–	12 390	166 787	159 437	161 379
Other revenue	2 714	2 386	3 008	2 924	2 591	2 824	1 576	2 824	2 824	2 824	2 824	5 019	34 336	36 438	38 704
Cash Receipts by Source	**163 743**	**108 337**	**220 996**	**91 828**	**146 943**	**100 903**	**102 627**	**102 293**	**137 072**	**94 904**	**96 064**	**176 235**	**1 541 946**	**1 643 739**	**1 771 068**
Other Cash Flows by Source															
Transfer receipts - capital	12 000				28 500				23 776			–	64 276	63 238	63 743
Contributions recognised - capital & Contributed assets												–			
Proceeds on disposal of PPE												–			
Short term loans												–			
Borrowing long term/refinancing												–			
Increase (decrease) in consumer deposits												–			
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**175 743**	**108 337**	**220 996**	**91 828**	**175 443**	**100 903**	**102 627**	**102 293**	**160 848**	**94 904**	**96 064**	**176 235**	**1 606 222**	**1 706 977**	**1 834 811**
Cash Payments by Type															
Employee related costs	44 855	43 421	40 964	42 816	45 187	53 499	42 751	45 450	45 450	45 450	45 450	101 961	597 254	635 056	672 424
Remuneration of councillors	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 780	1 781	21 365	22 647	24 006
Finance charges	–	–	–	–	–	14 895	–	–				14 895	29 790	28 514	26 779
Bulk purchases - Electricity	48 000	52 205	46 395	25 999	26 891	25 142	25 808	27 582	25 004	25 004	25 004	41 965	395 000	434 500	477 950
Bulk purchases - Water & Sewer			7 679	7 679	7 679	9 215	9 215	9 215	7 642	7 679		(0)	66 000	71 280	76 982
Other materials	3 343	6 962	6 550	6 795	4 815	9 059	3 405	7 233	8 059	7 059	9 059	9 162	81 503	88 481	94 963
Contracted services	–	–	–	–	–	–	–	–				–	–	–	–
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–				–			
Transfers and grants - other	2 800	470							1 400	–	–	380	5 050	5 050	5 050
Other expenditure	43 409	23 759	35 562	36 111	9 345	34 869	15 340	20 024	15 125	14 125	15 125	14 986	277 780	285 785	301 826
Cash Payments by Type	**144 188**	**128 597**	**138 930**	**121 180**	**95 697**	**148 459**	**98 300**	**111 284**	**104 460**	**101 098**	**96 419**	**185 129**	**1 473 742**	**1 571 314**	**1 679 980**
Other Cash Flows/Payments by Type															
Capital assets	3 103	4 149	4 769	5 561	6 953	7 675	8 593	10 643	13 274	14 980	17 382	14 627	111 709	101 620	84 646
Repayment of borrowing						5 439						5 439	10 878	8 205	8 243
Other Cash Flows/Payments												–			
Total Cash Payments by Type	**147 291**	**132 746**	**143 699**	**126 741**	**102 650**	**161 573**	**106 893**	**121 927**	**117 734**	**116 078**	**113 801**	**205 195**	**1 596 329**	**1 681 139**	**1 772 869**
NET INCREASE/(DECREASE) IN CASH HELD	**28 452**	**(24 409)**	**77 297**	**(34 913)**	**72 793**	**(60 670)**	**(4 266)**	**(19 634)**	**43 114**	**(21 174)**	**(17 737)**	**(28 961)**	**9 892**	**25 839**	**61 942**
Cash/cash equivalents at the month/year begin:	214 492	242 944	218 535	295 832	260 919	333 712	273 042	268 775	249 141	292 255	271 081	253 344	214 492	224 384	250 222
Cash/cash equivalents at the month/year end:	242 944	218 535	295 832	260 919	333 712	273 042	268 775	249 141	292 255	271 081	253 344	224 384	224 384	250 222	312 164

NC091 Sol Plaatje - NOT REQUIRED - municipality does not have entities

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R million	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates									
Service charges									
Investment revenue									
Transfers recognised - operational									
Other own revenue									
Contributions recognised - capital & contributed assets									
Total Revenue (excluding capital transfers and contrib	–	–	–	–	–	–	–	–	–
Employee costs									
Remuneration of Board Members									
Depreciation & asset impairment									
Finance charges									
Materials and bulk purchases									
Transfers and grants									
Other expenditure									
Total Expenditure	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - operational									
Public contributions & donations									
Borrowing									
Internally generated funds									
Total sources	–	–	–	–	–	–	–	–	–
Financial position									
Total current assets									
Total non current assets									
Total current liabilities									
Total non current liabilities									
Equity									
Cash flows									
Net cash from (used) operating									
Net cash from (used) investing									
Net cash from (used) financing									
Cash/cash equivalents at the year end									

NC091 Sol Plaatje - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
DBSA Loan @ 12%	Mths	360	Loan	31-03-2016	2 573
DBSA Loan @ 12%	Mths	360	Loan	31-03-2017	943
DBSA Loan @ 10.91%	Mths	360	Loan	31-12-2019	1 974
DBSA Loan @ 12.61%	Mths	240	Loan	31-12-2028	2 505
DBSA Loan @ 13.12%	Mths	72	Loan	31-12-2015	1 508
DBSA Loan @ 6.75%	Mths	288	Loan	31-12-2023	513
DBSA Loan @ 6.75%	Mths	288	Loan	31-12-2015	1 045
DBSA Loan @ 12.445%	Mths	240	Loan	31-06-2031	31 261

NC091 Sol Plaatje - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework			Total Contract Value
R thousand	Total	Original Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Estimate
Parent Municipality:						
Revenue Obligation By Contract						
Contract 1						–
No contracts greater than R5 Million			No contracts greater than R5 Million			–
Contract 3 etc						–
Total Operating Revenue Implication	–	–	–	–	–	–
Expenditure Obligation By Contract						
						–
No contracts greater than R5 Million			No contracts greater than R5 Million			–
						–
Total Operating Expenditure Implication	–	–	–	–	–	–
Capital Expenditure Obligation By Contract						
						–
No contracts greater than R5 Million			No contracts greater than R5 Million			–
						–
Total Capital Expenditure Implication	–	–	–	–	–	–
Total Parent Expenditure Implication	–	–	–	–	–	–

NC091 Sol Plaatje - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**101 427**	**72 409**	**61 920**	**12 000**	**72 755**	**72 755**	**18 460**	**47 184**	**38 089**
Infrastructure - Road transport	53	–	9 687	–	17 155	17 155	–	–	–
Roads, Pavements & Bridges	53		9 687		11 155	11 155			
Storm water					6 000	6 000			
Infrastructure - Electricity	13 180	28 231	15 553	–	7 000	7 000	7 000	3 045	2 046
Generation					7 000	7 000	7 000	3 045	2 046
Transmission & Reticulation	13 180	27 012	15 553						
Street Lighting		1 219							
Infrastructure - Water	9 889	44 178	19 186	12 000	18 205	18 205	10 460	31 781	33 217
Dams & Reservoirs									
Water purification	9 889	44 178	19 186	12 000	18 205	18 205	10 460	31 781	33 217
Reticulation									
Infrastructure - Sanitation	78 306	–	15 374	–	29 395	29 395	1 000	12 359	2 825
Reticulation	78 306		15 374		29 395	29 395	1 000	12 359	2 825
Sewerage purification									
Infrastructure - Other	–	–	2 120	–	1 000	1 000	–	–	–
Waste Management			2 120						
Transportation									
Gas									
Other					1 000	1 000			
Community	**10 810**	**35 349**	**1 952**	**12 994**	**18 614**	**18 614**	**2 211**	**8 694**	**966**
Parks & gardens	1 117								
Sportsfields & stadia					1 000	1 000			
Swimming pools					620	620			
Community halls									
Libraries									
Recreational facilities	4 315								
Fire, safety & emergency							1 000	8 694	966
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries				11 994	11 994	11 994	1 211	–	–
Social rental housing									
Other	5 378	35 349	1 952	1 000	5 000	5 000			
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**8 961**	**15 398**	**23 043**	**5 000**	**9 300**	**9 300**	**13 600**	**15 300**	**14 600**
General vehicles			7 620						
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	1 226								
Computers - hardware/equipment							4 500	1 500	2 000
Furniture and other office equipment	869		285		1 800	1 800			
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	6 866	15 398	15 138	5 000	7 500	7 500	9 100	13 800	12 600
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	208	–	–	–	–	–	–
Computers - software & programming									
Intangibles			208						
Total Capital Expenditure on new assets	**121 199**	**123 156**	**87 123**	**29 994**	**100 669**	**100 669**	**34 271**	**71 178**	**53 655**

Description	2011/12	2012/13	2013/14	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse									
Fire									
Conservancy									
Ambulances									

NC091 Sol Plaatje - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**6 733**	**54 209**	**151 286**	**82 938**	**130 719**	**130 719**	**57 553**	**23 000**	**23 991**
Infrastructure - Road transport	–	–	41 853	–	42 500	42 500	–	–	15 991
Roads, Pavements & Bridges			41 853		42 500	42 500			15 991
Storm water									
Infrastructure - Electricity	–	15 000	49 519	3 000	13 281	13 281	4 500	3 000	3 000
Generation		15 000	49 519	3 000	13 281	13 281	3 000	3 000	3 000
Transmission & Reticulation									
Street Lighting							1 500	–	–
Infrastructure - Water	6 733	6 000	1 008	17 164	17 164	17 164	5 000	5 000	5 000
Dams & Reservoirs									
Water purification	6 733	6 000	1 008	17 164	17 164	17 164	5 000	5 000	5 000
Reticulation									
Infrastructure - Sanitation	–	33 209	58 906	62 774	57 774	57 774	48 053	15 000	–
Reticulation		33 209	58 906	62 774	57 774	57 774	48 053	15 000	–
Sewerage purification									
Infrastructure - Other	–	–	–	–	–	–	–	–	–
Waste Management									
Transportation									
Gas									
Other									
Community	**–**	**–**	**–**	**–**	**–**	**–**	**12 885**	**442**	**–**
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other							12 885	442	
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**361**	**1 923**	**–**	**18 250**	**18 838**	**18 838**	**7 000**	**7 000**	**7 000**
General vehicles				12 000	13 500	13 500	4 000	4 000	4 000
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment				1 000	1 000	1 000			
Furniture and other office equipment	361								
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other		1 923		5 250	4 338	4 338	3 000	3 000	3 000
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other *(list sub-class)*									
Total Capital Expenditure on renewal of existing assets	**7 094**	**56 132**	**151 286**	**101 188**	**149 557**	**149 557**	**77 438**	**30 442**	**30 991**
Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse									
Fire									
Conservancy									
Ambulances									
Renewal of Existing Assets as % of total capex	*5.5%*	*31.3%*	*63.5%*	*77.1%*	*59.8%*	*59.8%*	*69.3%*	*30.0%*	*36.6%*
Renewal of Existing Assets as % of deprecn"	*18.2%*	*130.7%*	*360.3%*	*192.6%*	*284.6%*	*284.6%*	*144.5%*	*50.7%*	*47.9%*

NC091 Sol Plaatje - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**55 679**	**54 869**	**55 478**	**72 091**	**75 091**	**75 091**	**74 431**	**81 472**	**87 883**
Infrastructure - Road transport	16 896	18 197	13 833	15 376	17 376	17 376	14 071	15 197	16 412
Roads, Pavements & Bridges	16 896	18 197	13 833	15 376	17 376	17 376	14 071	15 197	16 412
Storm water									
Infrastructure - Electricity	20 228	21 672	19 173	16 579	16 579	16 579	23 861	26 058	28 265
Generation									
Transmission & Reticulation	13 969	14 126	13 695	10 779	10 779	10 779	17 661	19 300	20 899
Street Lighting	6 259	7 546	5 478	5 800	5 800	5 800	6 200	6 758	7 366
Infrastructure - Water	18 555	15 000	14 391	29 037	27 037	27 037	25 157	26 543	27 998
Dams & Reservoirs									
Water purification							3 490	3 682	3 884
Reticulation	18 555	15 000	14 391	29 037	27 037	27 037	21 667	22 861	24 113
Infrastructure - Sanitation	–	–	7 367	6 449	9 449	9 449	6 542	8 635	9 716
Reticulation	–	–	7 367	6 449	9 449	9 449	6 542	8 635	9 716
Sewerage purification									
Infrastructure - Other	–	–	714	4 650	4 650	4 650	4 800	5 040	5 492
Waste Management			680	4 650	4 650	4 650	4 800	5 040	5 492
Transportation									
Gas									
Other			33						
Community	**10 576**	**11 716**	**7 762**	**9 890**	**10 140**	**10 140**	**5 648**	**5 829**	**6 203**
Parks & gardens	189	211	1 009	3 250	3 500	3 500	861	861	861
Sportsfields & stadia					–	–	440	466	492
Swimming pools				300	300	300	110	117	123
Community halls	389	412	1 098	620	620	620	36	38	40
Libraries	248	129	152	220	220	220	38	38	38
Recreational facilities	4 147	4 125	1 373	1 250	1 250	1 250	1 306	1 283	1 459
Fire, safety & emergency				2 500	2 500	2 500	1 032	1 094	1 154
Security and policing					–	–	1 239	1 313	1 385
Buses					–	–			
Clinics		293	247	530	530	530	70	74	78
Museums & Art Galleries					–	–			
Cemeteries				500	500	500	352	371	390
Social rental housing					–	–			
Other	5 603	6 546	3 884	720	720	720	165	173	183
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**2 167**	**2 397**	**1 017**	**5 155**	**5 505**	**5 505**	**1 424**	**1 180**	**877**
General vehicles			(508)	1 200	1 200	1 200			
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment		1 357	1 129	1 890	1 890	1 890	226	241	255
Abattoirs									
Markets			308	315	315	315			
Civic Land and Buildings							110	117	123
Other Buildings				550	900	900	10	10	10
Other Land		513	77						
Surplus Assets - (Investment or Inventory)									
Other	2 167	527	11	1 200	1 200	1 200	1 078	813	489
Agricultural assets	–	–	–	–	–	–	–	–	–
Agricultural Assets									
Biological assets	–	–	–	–	–	–	–	–	–
Biological Assets									
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Intangibles									
Total Repairs and Maintenance Expenditure	**68 422**	**68 982**	**64 257**	**87 136**	**90 736**	**90 736**	**81 503**	**88 481**	**94 963**
Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse									
Fire									
Conservancy									
Ambulances									
R&M as a % of PPE	*7.4%*	*6.4%*	*5.0%*	*6.3%*	*6.6%*	*6.6%*	*5.5%*	*5.8%*	*6.0%*
R&M as % Operating Expenditure	*5.7%*	*5.3%*	*4.6%*	*5.3%*	*5.3%*	*5.3%*	*4.7%*	*4.8%*	*4.8%*

NC091 Sol Plaatje - Supporting Table SA34d Depreciation by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation by Asset Class/Sub-class									
Infrastructure	**19 721**	**21 738**	**21 102**	**24 344**	**24 344**	**24 344**	**24 486**	**27 425**	**29 690**
Infrastructure - Road transport	8 745	8 725	8 714	8 824	8 824	8 824	8 828	9 074	9 280
Roads, Pavements & Bridges	7 739	7 722	7 711	7 822	7 822	7 822	7 825	7 964	8 124
Storm water	1 006	1 003	1 003	1 002	1 002	1 002	1 003	1 110	1 156
Infrastructure - Electricity	3 232	3 290	3 088	3 410	3 410	3 410	3 388	3 468	3 528
Generation	2 757	2 782	2 580	2 882	2 882	2 882	2 870	2 940	2 990
Transmission & Reticulation					–				
Street Lighting	476	508	508	528	528	528	518	528	538
Infrastructure - Water	3 340	3 515	3 116	3 815	3 815	3 815	3 275	3 680	4 272
Dams & Reservoirs					–				
Water purification	3 340	3 515	3 116	3 815	3 815	3 815	3 275	3 680	4 272
Reticulation					–				
Infrastructure - Sanitation	2 934	3 954	4 143	6 645	6 645	6 645	6 845	8 953	9 850
Reticulation					–				
Sewerage purification	2 934	3 954	4 143	6 645	6 645	6 645	6 845	8 953	9 850
Infrastructure - Other	1 470	2 254	2 041	1 650	1 650	1 650	2 150	2 250	2 760
Waste Management									
Transportation									
Gas									
Other	1 470	2 254	2 041	1 650	1 650	1 650	2 150	2 250	2 760
Community	**6 453**	**6 581**	**7 385**	**8 581**	**8 581**	**8 581**	**8 900**	**9 700**	**9 900**
Parks & gardens									
Sportsfields & stadia									
Swimming pools									
Community halls									
Libraries									
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other	6 453	6 581	7 385	8 581	8 581	8 581	8 900	9 700	9 900
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development									
Other									
Other assets	**10 068**	**12 109**	**11 554**	**17 109**	**17 109**	**17 109**	**17 839**	**20 428**	**22 367**
General vehicles									
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other	10 068	12 109	11 554	17 109	17 109	17 109	17 839	20 428	22 367
Agricultural assets	–	–	–	–	–	–	–	–	–
List sub-class									
Biological assets	–	–	–	–	–	–	–	–	–
List sub-class									
Intangibles	2 646	2 521	1 947	2 516	2 516	2 516	2 376	2 466	2 721
Computers - software & programming	2 540	2 415	1 717	2 410	2 410	2 410	2 145	2 235	2 490
Investment properties	106	106	231	106	106	106	231	231	231
Total Depreciation	**38 888**	**42 949**	**41 988**	**52 550**	**52 550**	**52 550**	**53 600**	**60 019**	**64 678**

Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse									
Fire									
Conservancy									
Ambulances									

NC091 Sol Plaatje - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure			
Vote 1 - EXECUTIVE AND COUNCIL	3 000	3 000	3 000
Vote 2 - MUNICIPAL AND GENERAL	–	–	–
Vote 3 - MUNICIPAL MANAGER	–	–	–
Vote 4 - CORPORATE SERVICES	–	–	–
Vote 5 - COMMUNITY SERVICES	15 096	9 136	966
Vote 6 - FINANCIAL SERVICES	4 500	1 500	2 000
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	9 100	13 800	12 600
Vote 8 - INFRASTRUCTURE AND SERVICES	80 012	74 184	66 080
Vote 9 - [NAME OF VOTE 9]	–	–	–
Vote 10 - [NAME OF VOTE 10]	–	–	–
Vote 11 - [NAME OF VOTE 11]	–	–	–
Vote 12 - [NAME OF VOTE 12]	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–
Total Capital Expenditure	**111 709**	**101 620**	**84 646**
Net Financial Implications	**111 709**	**101 620**	**84 646**

NC091 Sol Plaatje - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
R thousand			2	6	3	3	5		Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality:															
List all capital projects grouped by Municipal Vote															
Total expenditure previous year									238 409						
Executive and Council															
Loose Equipment	Loose Equipment		I	No	*Other*	*Other*	*Various*			2 500	3 000	3 000	3 000	All	Renewal
Strategy, Economic Development and Planning															
Neighborhood Development			A	No	*Other*	*Sportsfields & stadia*	*various*			–	5 100	11 800	12 600	Various	New
Strategy, Economic Development and Planning	GURP projects			No	*Other*	*Other*	*unknown*			–	–	–	–		
GURP projects	Light Industrial Park			No	*Investment Properties*	*Other*	*-25817.579; -3178011.793*			200					
GURP projects	Phase 2 Artificial Turf St Georges Ground			No	*Other*	*Sportsfields & stadia*	*-25138.536; -3177826.656*			3 100					
GURP projects	Phase 3 Astro Turf St Georges Ground			No	*Other*	*Sportsfields & stadia*	*-25138.536; -3177826.656*			550					
GURP projects	Tommy Morebedi Sport Stadium			No	*Other*	*Recreational facilities*	*-24885.948; -3177887.631*			1 000					
GURP projects	Mayibuye Upgrade			No	*Other*	*Recreational facilities*	*-24729.067; -3179002.371*			200					
GURP projects	Parks Upgrade			No	*Other*	*Parks & gardens*	*-28060.735; -3177887.539*			200					
Strategy, Economic Development and Planning	Phomolong Services of Sites Erven			No	*Infrastructure - Other*	*Other*	*-28580.144; -3178802.539*			157					
Strategy, Economic Development and Planning	Kutlwanong Planning and Surveying			No	*Infrastructure - Other*	*Other*	*-28132.636; -3179357.178*			46					
Strategy, Economic Development and Planning	Santa Centre Planning and Surveying			No	*Infrastructure - Other*	*Other*	*-24330.962; -3177942.228*			116					
Strategy, Economic Development and Planning	Promise Land Planning and Surveying			No	*Infrastructure - Other*	*Other*	*-30123.365; -3177458.524*			459					
Strategy, Economic Development and Planning	Ivory Park Planning and Surveying			No	*Infrastructure - Other*	*Other*	*-27319.778; -3171568.171*			695					
Strategy, Economic Development and Planning	Lindane Transit Camp			No	*Infrastructure - Other*	*Other*	*-29669.339; -3177528.375*			215					
Strategy, Economic Development and Planning	Township Establishment (Studies, etc)		A	No	*Infrastructure - Other*	*Other*	*Various*			200	2 000	–	–	Various	New
Strategy, Economic Development and Planning	Reselling of erven services		A	No	*Infrastructure - Other*	*Other*	*various*			200	2 000	2 000	2 000	Various	New
Strategy, Economic Development and Planning	Inner City Revitalisation			No	*Other Assets*	*Other*	*various*			2 000					
Infrastructure and Services															
Electricity	Energy Efficiency and Demand side Management						*various*			–					
Integrated National Electricity Program	Diamant Park Phase 2		E	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*-28.739869, 24.742096*			–	7 000	3 000	2 000	Ward 25	New
Integrated National Electricity Program	Jacksonville services			Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	*Various*			3 000					
Integrated National Electricity Program	Eskom Grant		E				*unknown*			–	–	45	46	Various	New
Electricity	Substation New Mental Hospital			Yes	*Infrastructure - Electricity*	*Generation*	*-26644.09; -3183953.51*			6 200					
Electricity	Replacement of Prepaid Meters		E	Yes	*Infrastructure - Electricity*	*Reticulation*	*Various*			3 000	3 000	3 000	3 000	Various	Renewal
Electricity	Midlands Substation			Yes	*Infrastructure - Electricity*	*Generation*	*-26359.288; -3170967.935*			81					
Electricity	Hall Street Substation			Yes	*Infrastructure - Electricity*	*Generation*	*-18087.164; -3180799.665*			1 000					
Electricity	Replace Cable to Witdam			Yes	*Infrastructure - Electricity*	*Generation*	*-27575.11; -3175776.536*			3 500					
Electricity	Replace 66Kv Breaker			Yes	*Infrastructure - Electricity*	*Generation*	*-27575.11; -3175776.536*			3 500					
Electricity	Highmast Streetlights		E	Yes	*Infrastructure - Electricity*	*Generation*	*Various*				1 500	–	–	Various	New
Infrastructure - Other	Security of Plants and Infrastructure			Yes	*Other*	*Security and policing*	*Various*			2 000					
Infrastructure - Other -Transport	Fleet Replacement Program		E	Yes	*Other Assets*	*General vehicles*	*Various*			13 500	4 000	4 000	4 000	Various	Renewal
Water	Ritchie Bulk Supply		E	Yes	*Infrastructure - Sanitation*	*Reticulation*	*-29.037251, 24.585785*			5 000	6 460	16 327	32 167	Ward 26, 27	New
Water	Lerato Park Water		E	Yes	*Infrastructure - Water*	*Reticulation*	*-28.676088, 24.714344*			–	1 000	15 454	1 050	Ward 30	New
Water	Zone Metering		E	Yes	*Infrastructure - Water*	*Transmission & Reticulation*	*various*			7 000	3 000	–	–	Various	New
Water	Water Conservation & Demand side			Yes	*Infrastructure - Water*	*Transmission & Reticulation*	*various*			5 000					
Water	Replacement of Water Meters		E	Yes	*Infrastructure - Water*	*Transmission & Reticulation*	*various*			5 000	4 000	4 000	5 000	Various	Renewal
Water	Riverton High Lift Pumps		E	Yes	*Infrastructure - Water*	*Water purification*	*-28.519676, 24.695918*			12 164	1 000	1 000	–	Various	Renewal
Water	Phomolong Services of Sites Erven			Yes	*Infrastructure - Other*	*Housing development*	*-28580.144; -3178802.539*			1 205					
Sanitation	Homevale WWT 15 ml Upgrade		D	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	*-28.696664, 24.734092*			57 774	43 053	–	–	Various	Renewal
Sanitation	Carters Glen Sewerage		E	Yes	*Infrastructure - Sanitation*	*Reticulation*	*-26654.67; -3181424.107*			1 000	5 000	15 000	–	Ward 21	Renewal
Sanitation	Sanitary Facilities for different Wards			Yes	*Infrastructure - Other*	*Housing development*	*Various*			6 073					
Sanitation	Services Diamond Park 892 erven & 258 Infills			Yes	*Infrastructure - Other*	*Housing development*	*-22355.866; -3184461.828*			22 321					
Sanitation	Lerato Park Sewer		E	Yes	*Infrastructure - Sanitation*	*Housing development*	*-28.676088, 24.714344*				1 000	12 359	2 825	Ward 30	New
Roads and Stormwater	Resealing of Roads			Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*Various*			42 500	–	–	15 991	Various	Renewal
Roads and Stormwater	Galeshewe Stormwater Wards 5 & 18			Yes	*Infrastructure - Road transport*	*Storm water*	*-27575.11; -3175776.536*			1 019					
Roads and Stormwater	Bloemanda and Thusano Ward 5 & 6			Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*-27575.11; -3175776.536*			2 163					
Roads and Stormwater	Sobantu and Thlageng Wards 13-17			Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*-27698.189; -3178441.718*			646					
Roads and Stormwater	Lindane Roads			Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	*-29669.339; -3177528.375*			7 327					
Roads and Stormwater	Greenpoint Stromwater Canals			Yes	*Infrastructure - Road transport*	*Storm water*	*-22355.866; -3184461.829*			6 000					
Directorate : Finanancial Services															
Information Technology	It Replacement Program: Hardware		H	No	*Other Assets*	*Computers - hardware/equipment*	*Various*			2 800	4 500	1 500	2 000	Various	Renewal
Directorate: Community Services															
Cemetries	Phutanang Cemetry		G	Yes	*Community*	*Cemeteries*	*-28.726730, 24.698753*			11 994	1 211	–	–	Various	New
Environmental	Landfill Site Upgrade		G	Yes	*Community*	*Waste Management*	*-28.738217, 24.690780*			2 000	12 885	442	–	Various	Renewal
Emergency Services	Satelite Fire Station		G	No	*Community*	*Fire, safety & emergency*	*-29.037251, 24.585785*				1 000	8 694	966	Various	New
Sport and Recreation	Upgrade Municipal and Sport Stadia (ablution)			No	*Community*	*Sportsfields & stadia*	*Various*			1 000					
Sport and Recreation	Upgrade Swimming Pool Floors Colville			No	*Community*	*Swimming pools*	*-23326.434; -3178385.819*			620					
Heritage	Upgrade Monuments			No	*Community*	*Other*	*Various*			2 000					
Parent Capital expenditure									**238 409**	**250 226**	**111 709**	**101 620**	**86 646**		
Total Capital expenditure									**238 409**	**250 226**	**111 709**	**101 620**	**86 646**		

NC091 Sol Plaatje - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	1,2							Original Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand							Year					
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
		No projects										

TARIFFS

1 **APPROVAL OF VARIOUS TARIFFS : 1 JULY 2015 - 30 JUNE 2016**

That, in terms of Section 24(2) of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56), the following levies, fees and tariffs for Sol Plaatje Municipality be levied, and a General Rate be recovered on the values appearing in the 2015 General Valuation Roll

TARIFFS SUBJECT TO VALUE ADDED TAX INCLUDES 14% VAT.
ANY FUTURE CHANGES IN VAT WILL BE IMPLEMENTED ACCORDINGLY.

1.1 **LEVY OF RATES (FINANCE/VALUATIONS)**

	PRESENT TARIFFS	PROPOSED TARIFFS 2015/07/01	PROPOSED TARIFFS 2016/07/01	PROPOSED TARIFFS 2017/07/01
	R	R	R	R
Agricultural Residential	0.002324	0.002049	0.002232	0.002424
Agricultural Business	0.002905	0.002329	0.002537	0.002755
Agricultural Farms	0.001743	0.001863	0.002030	0.002204
Business / Residential Business not registered	0.034854	0.027479	0.029938	0.032510
State / Public schools	0.087135	0.068930	0.075099	0.081550
Industrial	0.047634	0.032602	0.035520	0.038571
Residential / Municipal Residential	0.011618	0.009315	0.010149	0.011020
Residential Business registered	0.021493	0.017232	0.018774	0.020387
Public Services Infrastructure	0.000000	0.000000	0.000000	0.000000
Public Service Property	NEW	0.068930	0.075099	0.081550
Rural Estates	NEW	0.006986	0.007611	0.008265
Guest Houses	NEW	0.013972	0.015222	0.016530
Guest House - Business	NEW	0.018630	0.020297	0.022041
Mining	0.191698	0.195612	0.213119	0.231426
Average rates tariff	0.024533	0.017676	0.019258	0.020912

1. An allowance has been made for the inclusion of discounts for Pensioners meeting certain criteria. The discount is proposed at 50%.

2. Public Service Infrastructure is no longer feasable to rate due to the regulated rating ratios. It is therefore zero (0) rated.

3. Differentiation in the tariffs for the categories "Agricultural Properties" have been included to introduce greater parity within this sector.

4. This finanicial year sees the implementation of the General Valuation Roll 2015.

5. There have been additions to the rating categories which have been brought about by recent amendments of the Local Government: Municipal Property Rates Act 6 of 2004.

6. The income threshold of pensioners to qualify for a discount to be R 130 000 per annum

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.2	**MUNICIPAL SWIMMING POOLS & SPORTS FIELDS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**				
1.2.1	**Karen Muir Swimming Pool**				
	Admission fees - Children	10.00	10.00	10.50	11.03
	Admission fees - Adults	12.00	12.00	12.60	13.23
	Hire of bath	1 050.00	1 400.00	1 470.00	1 543.50
	Hire of bath for functions	1 200.00	1 500.00	1 575.00	1 653.75
	Season tickets - Children	98.00	105.00	110.25	115.76
	Season tickets - Adults	160.00	175.00	183.75	192.94
	Loss deposit	900.00	950.00	997.50	1 047.38
1.2.2	**Florianville Swimming Pool**				
	Admission fees - Children	8.00	8.00	8.40	8.82
	Admission fees - Adults	10.00	12.00	12.60	13.23
	Hire of bath	1 000.00	1 400.00	1 470.00	1 543.50
	Season tickets - Children	75.00	80.00	84.00	88.20
	Season tickets - Adults	100.00	120.00	126.00	132.30
	Loss deposit	700.00	750.00	787.50	826.88
1.2.3	**Roodepan Swimming Pool**				
	Admission fees - Children	8.00	8.00	8.40	8.82
	Admission fees - Adults	10.00	12.00	12.60	13.23
	Hire of bath	1 000.00	1 400.00	1 470.00	1 543.50
	Season tickets - Children	75.00	80.00	84.00	88.20
	Season tickets - Adults	100.00	120.00	126.00	132.30
	Loss deposit	700.00	750.00	787.50	826.88
1.2.4	**Galeshewe Swimming Pool**				
	Admission fees - Children	7.00	8.00	8.40	8.82
	Admission fees - Adults	9.50	12.00	12.60	13.23
	Hire of bath	1 100.00	1 400.00	1 470.00	1 543.50
	Hire of bath with lights	1 500.00	1 600.00	1 680.00	1 764.00
	Season tickets - Children	80.00	80.00	84.00	88.20
	Season tickets - Adults	100.00	120.00	126.00	132.30
	Loss deposit	900.00	950.00	997.50	1 047.38
1.2.5	**De Beers Stadium**				
	Hire of athletics track	1 100.00	1 200.00	1 260.00	1 323.00
	Loss deposit	1 100.00	1 200.00	1 260.00	1 323.00
	Apparatus per day	600.00	700.00	735.00	771.75
	Loss deposit	900.00	950.00	997.50	1 047.38
	Lights	Per metered use	Per metered use	Per metered use	Per metered use
	Training sessions (Schools/Clubs) per season	160.00	170.00	178.50	187.43
	Hire of sports field/preparation fee	600.00	650.00	682.50	716.63
	Loss deposit	900.00	950.00	997.50	1 047.38
	Lights	Per metered use	Per metered use	Per metered use	Per metered use
	Preparation Fee	600.00	650.00	682.50	716.63
	VIP Lounge	600.00	650.00	682.50	716.63

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	HIRE OF STADIUM				
	Other than sport	1 700.00	1 800.00	1 890.00	1 984.50
	Loss Deposit	900.00	950.00	997.50	1 047.38
	Music festivals/commercial use	17 000.00	18 100.00	19 005.00	19 955.25
	Loss deposit	26 000.00	27 500.00	28 875.00	30 318.75
	HIRE OF HALL NO. 4				
	Indoor sport	120.00	125.00	131.25	137.81
	Hire of cafeteria/bar	270.00	280.00	294.00	308.70
	Loss deposit	900.00	900.00	945.00	992.25
	PRACTICE SESSIONS FOR ATHLETICS				
	Season ticket for individuals	145.00	155.00	162.75	170.89
	Individual per session	35.00	35.00	36.75	38.59
	GROUPS:				
	1 - 10 per session	57.00	60.00	63.00	66.15
	11 - 20 per session	80.00	83.00	87.15	91.51
	21 - 30 per session	98.00	100.00	105.00	110.25
	31 - 40 per session	120.00	125.00	131.25	137.81
	41 - 60 per session	145.00	150.00	157.50	165.38
	61 and more per session	205.00	210.00	220.50	231.53
1.2.6	**Galeshewe Stadium**				
	Sport per day	850.00	875.00	918.75	964.69
	Loss deposit	970.00	1 000.00	1 050.00	1 102.50
	Other than sport	3 500.00	3 750.00	3 937.50	4 134.38
	Loss deposit	950.00	1 000.00	1 050.00	1 102.50
	Lights	Per metered use	Per metered use	Per metered use	Per metered use
	Music festivals/commercial use	13 750.00	14 500.00	15 225.00	15 986.25
	Loss deposit	24 500.00	26 000.00	27 300.00	28 665.00

It is proposed that if a request is received from a Welfare Organization to use the above facilities at a reduced tariff, authority be granted to lease the facilities at 50% of the normal tariff plus a relevant deposit which is refundable. It is further proposed that if a request is received from a school to use the above facilities at a reduced tariff, authority be granted to allow a discount of 25% on the normal tariff plus the relevant deposit which is refundable. Furthermore, if a contract is drawn up with a specific Provincial or National body for the hire of any of the abovementioned facilities for sport (seasonal), a fee of R33 000-00 be charged for the season.
Deposit for reservation = 25% of total reservation fee to be paid within 7 days of booking.
Cancellation fee = 25% of total reservation fee.

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.2.7	**Galeshewe Arena**				
	Hire of arena per day	300.00	320.00	336.00	352.80
	Hire of hall per day	150.00	160.00	168.00	176.40
	Lights	Per metered use	Per metered use	Per metered use	Per metered use
	Loss deposit	500.00	550.00	600.00	650.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.2.8	**West-End Indoor Facility**				
	Competitive sport -				
	Prior occupation per day	540.00	570.00	598.50	628.43
	Main Hall (per day)	1 250.00	1 350.00	1 417.50	1 488.38
	Key deposit	1 250.00	1 350.00	1 417.50	1 488.38
	Small Hall (per day)	775.00	830.00	871.50	915.08
	Key Deposit	775.00	830.00	871.50	915.08
	Training sessions -				
	Main Hall (per hour)	125.00	130.00	136.50	143.33
	Key deposit	175.00	180.00	189.00	198.45
	Small Hall (per hour)	90.00	95.00	99.75	104.74
	Key deposit	165.00	175.00	183.75	192.94
	Other than sport -				
	Prior occupation per day	625.00	660.00	693.00	727.65
	Main Hall	1 500.00	1 650.00	1 732.50	1 819.13
	Deposit	1 250.00	1 650.00	1 732.50	1 819.13
	Small Hall	860.00	920.00	966.00	1 014.30
	Deposit	860.00	920.00	966.00	1 014.30
	Commercial use -				
	Prior occupation per day	625.00	660.00	693.00	727.65
	Main Hall (per day)	3 500.00	3 750.00	3 937.50	4 134.38
	Key deposit	10 500.00	11 200.00	11 760.00	12 348.00
	Small Hall (per day)	1 400.00	1 500.00	1 575.00	1 653.75
	Key deposit	1 400.00	1 500.00	1 575.00	1 653.75
	Kitchen (per day)	450.00	475.00	498.75	523.69
	Key deposit	500.00	535.00	561.75	589.84
	Braai (per day)	450.00	475.00	498.75	523.69
	Key deposit	500.00	535.00	561.75	589.84
	Conference room	450.00	475.00	498.75	523.69
	Key deposit	500.00	535.00	561.75	589.84
1.2.9	**West-End Club**				
	Commercial use -				
	Prior occupation per day	690.00	730.00	766.50	804.83
	Main Hall (per day)	3 450.00	3 600.00	3 780.00	3 969.00
	Key deposit	8 600.00	9 000.00	9 450.00	9 922.50
	Competitive sport -				
	Prior occupation per day	690.00	630.00	661.50	694.58
	Main Hall (per day)	800.00	850.00	892.50	937.13
	Key deposit	800.00	850.00	892.50	937.13
	Training sessions -				
	Main Hall (per hour)	130.00	135.00	141.75	148.84
	Key deposit	200.00	220.00	231.00	242.55
	Main Hall (other than specified)	1 650.00	1 750.00	1 837.50	1 929.38
	Key deposit	1 650.00	1 750.00	1 837.50	1 929.38
	Kitchen	450.00	475.00	498.75	523.69
	Key deposit	500.00	535.00	561.75	589.84
	Braai area	450.00	475.00	498.75	523.69
	Key deposit	500.00	535.00	561.75	589.84
	Trog Bar	600.00	640.00	672.00	705.60
	Key deposit	550.00	640.00	672.00	705.60
	Soccer Field	450.00	475.00	498.75	523.69
	Key deposit	550.00	640.00	672.00	705.60

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Cricket field	450.00	475.00	498.75	523.69
Key deposit	550.00	640.00	672.00	705.60
Air Conditioner	450.00	475.00	498.75	523.69
Deposit on hiring of facilities (Within 7 days of the request for the reservation)	50% of total amount	50% of total amount	50% of total amount	50% of total amount

Cancellation

If a reservation is cancelled within 30 days of occupation the refund to the client will be 50% of the deposit amount paid.
If a reservation is cancelled within 10 days of occupation the client will forfait the total deposit amount paid.

Conditions

1. Right of admission reserved.
2. Facility used at own risk.
3. Total reservation fee to be paid within 10 (ten) days of booking.
4. Payment to be made in relation to booking.
5. Facility may not be used unless payment is received in advance.
6. Use of the facility will not be allowed unless a contract has been completed and signed by the Lessee.
7. No equipment may be removed from the facility.
8. Facility to be left in same condition as it was found on occupation.
9. Lessee will be held responsible for any littering, damages or loss of any equipment of the property and strict action will be taken against such lessee.
10. Losses and breakages of any items brought onto the premises by the lessee will not be compensated by the lessor of this facility.
11. A pre occupation fee payable if the lessee needs to decorate the hall one day or more before the function.
12. Canceling of bookings - see cancellations.
13. No private liquor allowed on premises. No private bar allowed on premises. Strict adherence to the aforementioned can lead to arrest, prohibition from the facility and forteiture of total deposit.
14. A market related corkage fee may be charged for wine and champagne.
15. The playing of musical instruments, live musical performances and any other form of amplified music is prohibited outdoors. The playing of music will be allowed indoor only until 24:00.
16. Ignorance of any of the above can lead to: Arrest, prohibition from the facility and forfeiture of total deposit.
17. All reservations will be accommodated on the basis of first come first served.

		PRESENT	2015/07/01	2016/07/01	2017/07/01
1.2.10	**Open Mine Caravan Park**				
	Caravans - (per Caravan)	98.00	105.00	110.25	115.76
	- (per person)	50.00	50.00	52.50	55.13
	Caravan Club				
	Minimum of 20 Caravans - (per Caravan)	77.00	80.00	84.00	88.20
	- (per person)	50.00	50.00	52.50	55.13
	Pensioners - (per Caravan)	76.00	75.00	78.75	82.69
	- (per person)	45.00	50.00	52.50	55.13
	Tent (per site)	76.00	80.00	84.00	88.20
	(per person)	50.00	55.00	57.75	60.64
	Day Visitors:				
	Car (per car)	55.00	60.00	63.00	66.15
	(per person)	63.00	65.00	68.25	71.66
	Bus (per bus)	285.00	305.00	320.25	336.26
	(per person)	50.00	50.00	52.50	55.13
1.3	**BURIAL PLOT FEES (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**				
1.3.1	**West-End and Kenilworth Cemeteries**				
	Re-opening (casket)	730.00	760.00	798.00	837.90
	Re-opening (adults)	590.00	620.00	651.00	683.55
	Re-opening (babies)	470.00	500.00	525.00	551.25
	Burial of ashes	150.00	160.00	168.00	176.40

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Grave fees (adult)	990.00	1 040.00	1 092.00	1 146.60
	Grave fees (children under 7)	760.00	800.00	840.00	882.00
	Special graves (casket)	1 400.00	1 470.00	1 543.50	1 620.68
	Wall of Remembrance (per niche)	700.00	740.00	777.00	815.85
	Two burials per grave	1 430.00	1 570.00	1 648.50	1 730.93
	Reserved graves	2 130.00	2 240.00	2 352.00	2 469.60
	Monument erection fee - single graves	320.00	370.00	388.50	407.93
	Monument erection fee - double graves	520.00	650.00	682.50	716.63
	Sundry payment - Saturday funerals	710.00	750.00	787.50	826.88
1.3.2	**Roodepan and Ritchie Cemeteries**				
	Re-opening (casket)	620.00	650.00	682.50	716.63
	Re-opening (adults)	470.00	500.00	525.00	551.25
	Re-opening (babies)	410.00	430.00	451.50	474.08
	Burial of ashes	150.00	160.00	168.00	176.40
	Grave fees (adult)	850.00	900.00	945.00	992.25
	Grave fees (children under 7)	550.00	580.00	609.00	639.45
	Special graves (casket)	1 200.00	1 270.00	1 333.50	1 400.18
	Pauper graves	250.00	270.00	283.50	297.68
	Two burials per grave	1 500.00	1 570.00	1 648.50	1 730.93
	Reserved graves	1 500.00	1 580.00	1 659.00	1 741.95
	Monument erection fee - single graves	350.00	370.00	388.50	407.93
	Monument erection fee - double graves	550.00	650.00	682.50	716.63
	Sundry payment - Saturday funerals	700.00	750.00	787.50	826.88
1.3.3	**Galeshewe, Greenpoint, Motswedimosa and Rietvale Cemeteries**				
	Re-opening (casket)	550.00	650.00	682.50	716.63
	Re-opening (adults)	520.00	500.00	525.00	551.25
	Re-opening (babies)	390.00	430.00	451.50	474.08
	Burial of ashes	150.00	160.00	168.00	176.40
	Grave fees (adult)	700.00	750.00	787.50	826.88
	Grave fees (children under 7)	500.00	530.00	556.50	584.33
	Special graves (casket)	900.00	960.00	1 008.00	1 058.40
	Pauper graves	270.00	270.00	283.50	297.68
	Two burials per grave	800.00	840.00	882.00	926.10
	Reserved graves	900.00	950.00	997.50	1 047.38
	Monument erection fee - single graves	350.00	370.00	388.50	407.93
	Monument erection fee - double graves	600.00	650.00	682.50	716.63
	Sundry payment - Saturday funerals	700.00	750.00	787.50	826.88
	New Cemetery				
	Re-opening (dome casket/casket)	550.00	650.00	682.50	716.63
	Re-opening (adults)-normal	520.00	500.00	525.00	551.25
	Re-opening (babies)	390.00	430.00	451.50	474.08
	Burial of ashes	150.00	160.00	168.00	176.40
	Grave fees (adult)	700.00	750.00	787.50	826.88
	Grave fees (children under 7)	500.00	530.00	556.50	584.33
	Special graves (dome casket/casket)	900.00	960.00	1 008.00	1 058.40
	Pauper graves	270.00	270.00	283.50	297.68
	Two burials per grave	800.00	840.00	882.00	926.10
	Reserved graves	900.00	950.00	997.50	1 047.38
	Monument erection fee - single graves	350.00	370.00	388.50	407.93
	Monument erection fee - double graves	600.00	650.00	682.50	716.63
	Sundry payment - Saturday funerals	700.00	750.00	787.50	826.88

1.4 **PLEASURE RESORTS AND CARAVAN PARKS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**

50% Discount on school groups with a minimum of 30 day visitors (Riverton).

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R

That a 10% commission be paid to Travel Institutions that make bookings at the Pleasure Resorts (accommodation only).

That a 10% commission be paid to Consultants who make bookings at the Pleasure Resorts (accommodation only).

That a 10% levy be charged on the normal tariff on all one-day reservations during weekends and long weekends.

Accommodation cancellation
If a reservation is cancelled within 20 days of occupation the refund to the client will be 85% of the total amount paid.
If a reservation is cancelled within 10 days of occupation the client will forfeit the total deposit amount paid.
No refund will be made to a client who does not arrive or who departs prior to the departure date.

Accommodation deposit
A deposit must be paid within 48 hours of the date of the request for a reservation. Deposit amount is 75% of total amount.

Preference would be given to all clients (reservations) who utilise accommodation for longer periods during high peak season. Deposits for such reservations will be the full amount of the reservation with the provision that payments being received within the month the reservation has been done.

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.4.1	**Riverton Pleasure Resort**				
	Chalets/Villas				
	To be hired at a basic tariff of R120.00 per unit and a rate of R100.00 per bed available in the unit, with the proviso that if a five-bed unit is available and only a four-bed unit is required, the tariff for a four-bed unit is applicable (converted to the nearest multiple of 5).				
	Rondavels				
	To be hired at a basic tariff of R70.00 per unit and a rate of R80.00 per bed available in the unit. If group bookings are made where more than 50 beds are required, a 15% discount becomes applicable. Upgraded Rondavels: To be hired at a basic tariff of R100.00 per unit and a rate of R90.00 per bed available in unit.				
	Caravan Park				
	Caravan (per day)	80.00	80.00	84.00	88.20
	Per person (per day)	25.00	25.00	26.25	27.56
	Caravan Clubs (minimum of 15 caravans) (excluding December holidays)	30% discount	30% discount	30% discount	30% discount
	Pensioners (excluding December holidays)	40% discount	40% discount	40% discount	40% discount
	Super Tube per ride	2.00	2.00	2.10	2.21
	Day visitors	20.00	20.00	21.00	22.05
	Day visitors (1 May - 31 August)	15.00	15.00	15.75	16.54
	Cars	30.00	30.00	31.50	33.08
	Season ticket (minimum 100 tickets)	50% discount	50% discount	50% discount	50% discount
	Boats	45.00	45.00	47.25	49.61
	Hall (for period of 24 hours)	400.00	400.00	420.00	441.00
	Key deposits				
	Chalets and Villas	200.00	200.00	210.00	220.50
	Rondavels	200.00	200.00	210.00	220.50
	Hall	200.00	200.00	210.00	220.50
	Group reservations	5 000.00	5 000.00	5 250.00	5 512.50
	For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.				
1.4.2	**Langleg Pleasure Resort**				
	Chalets				
	To be hired at a basic tariff of R100.00 per unit and a rate of R90.00 per bed available.				
	Rondavels				
	To be hired at a basic tariff of R70.00 per unit and a rate of R35.00 per bed available in unit.				
	Key deposits				
	Resort	12 000.00	12 000.00	12 600.00	13 230.00
	Chalets	200.00	200.00	210.00	220.50
	Rondavels	100.00	100.00	105.00	110.25

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Music Festivals/Rallies: R15-00 per person entering the facility plus accommodation costs.				
(Key deposit of R12000-00 as well as payment for 10 (ten) security guards from a recognized security company on the day of the festival is compulsory)				
Camping sites				
Tent 6 persons(per day)	80.00	80.00	84.00	88.20
Per person (per day)	20.00	20.00	21.00	22.05
Caravans				
Per caravan (per day)	80.00	80.00	84.00	88.20
Per person (per day)	20.00	20.00	21.00	22.05
Hall				
24-hour period	650.00	650.00	682.50	716.63
Per person	15.00	15.00	15.75	16.54
Key deposit	400.00	400.00	420.00	441.00
Day visitors				
Per person	20.00	20.00	21.00	22.05
Cars	30.00	30.00	31.50	33.08
Group accommodation				
Key deposit per unit	700.00	700.00	735.00	771.75
Per person per night (without bedding)	80.00	80.00	84.00	88.20
Per person per night (with bedding)	95.00	95.00	99.75	104.74

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or a part thereof. In the event of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, sugject to availability.

1.4.3 **Rekaofela and Transka Pleasure Resorts**

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Chalets : Rekaofela				
To be hired at a basic tariff of R150.00 per unit and a rate of R140.00 per bed abailable. (Amount converted to the nearest multiple of 5).				
Key deposit	200.00	200.00	210.00	220.50
Chalets : Transka				
To be hired at a basic tariff of R100-00 per unit and a rate of R105.00 per bed available in the unit.				
High Peak Season: Increase of 10% on approved tariffs. (1 December - 3 January and Easter Weekend)				
Key deposit	210.00	200.00	210.00	220.50
Caravan Park :Transka				
Caravan (per day)	80.00	80.00	84.00	88.20
Per person (per day)	25.00	25.00	26.25	27.56

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Group accommodation				
Transka - per person per night (with bedding)	90.00	95.00	99.75	104.74
Key deposit(per unit)	600.00	800.00	840.00	882.00
Rekaofela - per person per night	95.00	100.00	105.00	110.25
Key deposit (per sleeping unit)	700.00	800.00	840.00	882.00
Hall - (24-hour period) Kopano	800.00	800.00	840.00	882.00
- (48-hour period)	850.00	850.00	892.50	937.13
- (72-hour period)	900.00	900.00	945.00	992.25
- (96-hour period)	950.00	950.00	997.50	1 047.38
(More than 96 hours)	1 500.00	1 500.00	1 575.00	1 653.75
Key deposit	1 000.00	1 000.00	1 050.00	1 102.50
Training Centre - Mongano Hall				
Per person per night	95.00	100.00	105.00	110.25
Key deposit (per unit)	1 000.00	1 000.00	1 050.00	1 102.50
Hall - (24-hour period)	1 500.00	1 500.00	1 575.00	1 653.75
- (48-hour period)	1 600.00	1 600.00	1 680.00	1 764.00
- (72-hour period)	1 700.00	1 700.00	1 785.00	1 874.25
- (96-hour period)	1 800.00	1 800.00	1 890.00	1 984.50
(More than 96 hours)	3 000.00	3 000.00	3 150.00	3 307.50
Key deposit	1 000.00	1 000.00	1 050.00	1 102.50
Prior occupation	500.00	500.00	525.00	551.25
Recreation Hall - Riverside Hall				
Hall - (24-hour period)	4 000.00	4 000.00	4 200.00	4 410.00
- (48-hour period)	4 200.00	4 200.00	4 410.00	4 630.50
- (72-hour period)	4 400.00	4 400.00	4 620.00	4 851.00
- (96-hour period)	4 600.00	4 600.00	4 830.00	5 071.50
(More than 96 hours)	5 000.00	5 000.00	5 250.00	5 512.50
Prior occupation (per day)	500.00	500.00	525.00	551.25
Key deposit	2 000.00	2 000.00	2 100.00	2 205.00
Conference Hall				
Hall, tables and chairs - (10 persons per 24-hour period)	500.00	500.00	525.00	551.25
Hall, tables and chairs - (25 persons per 24-hour period)	750.00	750.00	787.50	826.88

Meals and refreshments

That a 10% levy be charged on all catering costs over weekends, long weekends and public holidays.

Catering at Rekaofela Resort is compulsory

No outside Caterers are allowed to do catering at this facility

Daily conference tariff: R550,00 per person per day for a minimum of 20-40 delegates. Less than 20 delegates, R600.00 per person per day

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Breakfast	35.00	35.00	36.75	38.59
	40.00	40.00	42.00	44.10
	50.00	50.00	52.50	55.13
	60.00	60.00	63.00	66.15
	70.00	70.00	73.50	77.18
	80.00	80.00	84.00	88.20
	90.00	90.00	94.50	99.23
Lunch / Dinner	40.00	40.00	42.00	44.10
	50.00	50.00	52.50	55.13
	55.00	55.00	57.75	60.64
	60.00	60.00	63.00	66.15
	65.00	65.00	68.25	71.66
	70.00	70.00	73.50	77.18
	75.00	75.00	78.75	82.69
	80.00	80.00	84.00	88.20

	PRESENT TARIFFS	PROPOSED TARIFFS 2015/07/01	PROPOSED TARIFFS 2016/07/01	PROPOSED TARIFFS 2017/07/01
	R	R	R	R
	85.00	85.00	89.25	93.71
	90.00	90.00	94.50	99.23
	95.00	95.00	99.75	104.74
	100.00	100.00	105.00	110.25
	110.00	110.00	115.50	121.28
	130.00	130.00	136.50	143.33
	150.00	150.00	157.50	165.38
Poeding	20.00	20.00	21.00	22.05
	25.00	25.00	26.25	27.56
	30.00	30.00	31.50	33.08
Additional meals				
Finger lunch per person	45.00	45.00	47.25	49.61
	55.00	55.00	57.75	60.64
	65.00	65.00	68.25	71.66
	80.00	80.00	84.00	88.20
	85.00	85.00	89.25	93.71
Spitbraai per person	270.00	180.00	189.00	198.45
	180.00	200.00	210.00	220.50
	200.00	230.00	241.50	253.58
Weddings per person	160.00	170.00	178.50	187.43
	190.00	210.00	220.50	231.53
	210.00	230.00	241.50	253.58
	270.00	270.00	283.50	297.68
Coffee/Tea & Refreshments				
Coffee/Tea (per person)	9.00	10.00	10.50	11.03
Coffee/Tea & refreshments (per person)	35.00	40.00	42.00	44.10
Coffee/Tea & muffens (per person)	25.00	30.00	31.50	33.08
Tableclothes (weddings) each	21.00	40.00	42.00	44.10
Crockery and cutlery (per day)	250.00	250.00	262.50	275.63
Overhead projector (per day)	60.00	60.00	63.00	66.15
Video machine (per day)	55.00	55.00	57.75	60.64
Television (per day)	45.00	45.00	47.25	49.61
Flip chart	35.00	35.00	36.75	38.59
Flip chart paper (per batch)	210.00	220.50	231.53	243.10
Cool room (24-hours)	70.00	75.00	78.75	82.69
Kopano Hall - Audio visual equipment	157.50	165.38	173.64	182.33
Tables and chairs	250.00	250.00	262.50	275.63
Data Projector (per day)	150.00	150.00	157.50	165.38

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Printing charges and phone calls				
Paper prints - A4	2.00	5.00	5.25	5.51
Paper prints - A3	3.50	8.00	8.40	8.82
Fax - A4	11.00	15.00	15.75	16.54
Phone calls (normal charge) plus	25.00%	25.00%	25.00%	25.00%
Day Visitor Tariff				
Per person (Transka)	20.00	20.00	21.00	22.05
Per person Seasonal (Transka) Easter/ December till 10th of January	20.00	30.00	31.50	33.08
School children out of season (Transka)	10.00	10.00	10.50	11.03
Winter Period (I May till 31st July	10.00	10.00	10.50	
Buses (15 Seater and more) / Cars	25.00	25.00	26.25	27.56
Putt-Putt	20.00	20.00	21.00	22.05
Wood (per bundle)	25.00	25.00	26.25	27.56
Wood (per bag)	50.00	50.00	52.50	55.13
Ice (per pack)	15.00	15.00	15.75	16.54
Sale of grass per m2 (only Garden Dealers)	70.00	70.00	73.50	77.18

For calculation of tariffs, a day will be calculated from 15:00 - 11:00 the following day or part thereof. In the of these times being exceeded a pro-rata hourly rate of 10% of the tariff will be recovered from the deposit. If the occupier should choose to occupy the living unit before the stipulated time the abovementioned payment of 10% will be payable, subject to availability.

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Hire of Lapas				
Lapa A	350.00	350.00	367.50	385.88
Lapa B	350.00	350.00	367.50	385.88
Lapa C	400.00	400.00	420.00	441.00
Key deposits on A, B and C	100.00	100.00	105.00	110.25

Cancellation fee on Conferences, Seminars and Training sessions is 25% of the total reservation fee.

1.4.4 **Adventure Centre**

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Course fees				
Instruction (per activity, per person)	300.00	300.00	315.00	330.75
1-Activity introduction (per person) - instruction, refreshments, equipment	315.00	450.00	472.50	496.13
Instructor's fees				
Instructor's fees per day (with OAA Level 2 training)	350.00	350.00	367.50	385.88
Instructor's fees per day (with OAA Level 3 training)	420.00	440.00	462.00	485.10
Instructor's transport costs (per Km)	3.50	4.00	4.20	4.41

Cancellation fee is 25% of the total reservation fee.

CONDITIONS:

1. Right of admission reserved.
2. Entry at own risk.
3. Private parties are not allowed in any accommodation.
4. Noise or disturbing music is not allowed.
5. The refund of key deposits between 07:00 - 11:30, after the chalet has been checked by a member of the Resort Staff.
6. No refunds during weekends.
7. No parking on grass or paving areas.
8. No bedding and equipment may be removed from the chalets or may be used outside the chalet.
9. A day is calculated from 15:00 - 11:00 the next day.
10. No day visitors are allowed at the chalets without the knowledge of the Manager.
11. Day visitors must leave the premises at 18:00.
12. The amount of people will be determined by the amount of beds in the chalets.
13. No animals are allowed in the Resort.

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R

14. Payment to be made in relation to the booking made.
15. If the chalets are evacuated later than 11:00, an additional tariff will be charged.
16. The chalets must be left in the same condition as it was found on occupation.
17. The visitors will be responsible for any damages or loss of any equipment in the chalets.
18. Strict action will be taken against any person who damages or removes any equipment or belongings of the Sol Plaatje Pleasure Resorts.
19. No visitor has the authority to choose his chalet or stand to be occupied.
20. Hotplates may only be used to cook on and not as heaters.
21. No tents may be erected next to accommodation units.
22. Ignorance or any of the above can lead to (*without refunding of any payment made in advance)* arrests, prohibitance from the Resort and no refunds on key deposits.
23. The management has the authority to determine whether any occupier's behaviour is acceptable to the Resort Manager.
24. Normal meal hours will be: 08:00 - 09:00; 13:00 - 14:00; 18:00 - 19:00. A levy of 10% will be charged on all meals taken outside the normal meal hours.
25. There will be no refund of the payment should the occupier cancel any time during their visit or should the person be prohibited from the resort.
26. All meals at weddings will be served not later than 20H00 and the kitchen will be closed at 22h30. A levy equal to the key deposit on the hall will be charged in the case of exceeding the prescribed hours.
27. No private caterers or private individuals are allowed to use any catering equipment or kitchen facilities or any resourses of the Rekaofela Resort for personnel or private use.
28. The serving of meals in all cases will not exceed the 2.5 hour prescribed time frame.
29. In the event of catering at Rekaofela, all payments must be received 5 days prior to the actual reservation date. In the case of not receiving payment in the prescribed period no catering will be done, the reservation cancelled and the cancellation fee is applicable.
30. All individuals, private institutions, schools, political parties, private companies, wedding arrangements, family reunions etc. must pay upfront (see par. 28) before any service are to be rendered.
31. In the event of outstanding accounts, no new reservations will be eccepted before all outstanding payments have been received. Where state departments are involved, no service will be provided without an official order at least 4 days prior to the reservation.(see par. 28 and cancellation fee)
32. Preference would be given to all clients (reservations) who utilise accommodation for longer periods during high peak season. Such reservations will be accommodated well in advance of 1/2 day reservations with the provision that payments being received within the month the reservation has been done.

1.4.5 **PERSONNAL HEALTH**

PATIENT INFORMATION FROM CLINICS

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Per enquiry per person	350.00	350.00	350.00	350.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.5	**HOUSING (SERVICES & INFRASTRUCTURE)**				
	That the rental on all Municipal Renting Schemes be increased as per National Housing Guidelines as per the following based on market related rentals:				
	Impala Court				
	1 Bedroom	1 079.00	1 142.00	1 205.00	1 269.00
	2 Bedroom	1 357.00	1 436.00	1 515.00	1 595.00
	Hercules Court				
	1 Bedroom	1 198.00	1 267.00	1 337.00	1 408.00
	2 Bedroom	1 484.00	1 570.00	1 656.00	1 744.00
	Holland Court				
	1 Bedroom	1 611.00	1 704.00	1 798.00	1 893.00
	2 Bedroom	1 963.00	2 077.00	2 191.00	2 307.00
	3 Bedroom	2 071.00	2 191.00	2 312.00	2 435.00
	Bachelor	1 392.00	1 473.00	1 554.00	1 636.00
	Newton Court				
	1 Bedroom	1 770.00	1 873.00	1 976.00	2 081.00
	2 Bedroom	2 184.00	2 311.00	2 438.00	2 567.00
	3 Bedroom	2 491.00	2 635.00	2 780.00	2 927.00
	Tiffany Court				
	2 Bedroom	2 184.00	2 311.00	2 438.00	2 567.00
	Eugenie Court				
	1 Bedroom	1 751.00	1 853.00	1 955.00	2 059.00
	2 Bedroom	2 078.00	2 199.00	2 320.00	2 443.00
	Jonker Court				
	1 Bedroom	1 444.00	1 528.00	1 612.00	1 697.00
	2 Bedroom	1 754.00	1 856.00	1 958.00	2 062.00
	Eureka Court				
	1 Bedroom	1 444.00	1 528.00	1 612.00	1 697.00
	2 Bedroom	1 754.00	1 856.00	1 958.00	2 062.00
	Krisant Court				
	1 Bedroom	1 385.00	1 465.00	1 546.00	1 628.00
	2 Bedroom	1 772.00	1 875.00	1 978.00	2 083.00
	Roodepan Flats				
	1 Bedroom	519.00	549.00	579.00	610.00
	2 Bedroom	866.00	916.00	966.00	1 017.00
	3 Bedroom	1 178.00	1 246.00	1 315.00	1 385.00
	Flamingo Court				
	1 Bedroom	906.00	959.00	1 012.00	1 066.00
	2 Bedroom	1 134.00	1 200.00	1 266.00	1 333.00
	Bachelor	827.00	875.00	923.00	972.00
	Carports				
	Carport with locking facility (per month)	75.00	79.00	83.00	87.00
	Carport without locking facility (per month)	35.00	37.00	39.00	41.00
	Key deposit	85.00	90.00	95.00	100.00
	By-pass houses				
	7 Villiers street	1 276.00	1 350.00	1 424.00	1 499.00
	9 Villiers street	1 213.00	1 283.00	1 354.00	1 426.00
	27a St Augustines road	1 333.00	1 410.00	1 488.00	1 567.00
	28 St Augustines road	1 524.00	1 612.00	1 701.00	1 791.00
	29 St Augustines road	1 206.00	1 276.00	1 346.00	1 417.00
	20 Auction	1 317.00	1 393.00	1 470.00	1 548.00
	4 Marriott	1 201.00	1 271.00	1 341.00	1 412.00
	21 Diebel	1 622.00	1 716.00	1 810.00	1 906.00
	13 Fuller	1 074.00	1 136.00	1 198.00	1 261.00
	49 Jacobson	1 836.00	1 942.00	2 049.00	2 158.00
	183 Barkly	763.00	807.00	851.00	896.00
	185 Barkly	906.00	959.00	1 012.00	1 066.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	30 Meyer	2 448.00	2 590.00	2 732.00	2 877.00
	West end Nursery house	1 333.00	1 410.00	1 488.00	1 567.00
	Pioneer cemetery house	352.00	372.00	392.00	413.00
	104a Waterworks street	1 503.00	1 590.00	1 677.00	1 766.00
	Santa centre				
	Rental units	47.00	50.00	53.00	56.00
	Dingaan family units				
	Bachelor	208.00	220.00	232.00	244.00
	1 Bedroom	233.00	247.00	261.00	275.00
	Selling Scheme				
	Administration charges	69.00	73.00	77.00	81.00
	Insurance	33.00	35.00	37.00	39.00
1.6	**MARK (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)**				
	Huur				
	Kantoor (per m2) per maand	22.00	24.00	26.00	28.00
	Koelkamers per maand				
	Buite	2 168.00	2 359.00	2 520.00	2 772.00
	Binne	4 315.00	4 705.00	5 026.00	5 529.00
	Buite geboue (per m2) per maand	26.00	28.00	31.00	33.00
	Parkering per maand	44.00	48.00	54.00	58.00
	Transaksiefooi per transaksie	0.45	0.50	0.55	0.60
	Rypmaakkoste per houer	3.00	3.50	3.80	4.10
	Trollies per dag				
	Trekwaentjies	3.95	4.50	4.80	5.10
	Pomptrollies	19.15	21.00	22.50	23.00
	Stoorruimte (per m2) per maand	7.60	8.50	9.10	9.70
1.7	**SIDEWALK AND ROAD TARIFFS (SERVICES & INFRASTRUCTURE)**				
	Lowered curbing per meter	190.00	202.00	214.00	226.00
	Per safety pole on sidewalk	170.00	181.00	192.00	203.00
	Tar patching work per m2 - area ÷ 30mm thickness installed	250.00	266.00	282.00	298.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Red soil and Gravel:				
	Sale of red soil and gravel to institutes, e.g. Schools, Churches, District Council etc				
	- Collected at stockpile per 5 m3 (Truck)	210.00	224.00	237.00	250.00
	- Delivery in Kimberley per 5 m3	550.00	586.00	621.00	655.00
	Lowered kerbs inspections	60.00	64.00	68.00	72.00
	Erf peg inspections (per inspection)	115.00	122.00	129.00	136.00
1.8	**URBAN PLANNING (STRATEGY, ECONOMIC DEVELOPMENT & PLANNING SERVICES)**				
1.8.1	**Building Control Section**				
	Building Plan Inspection Fees				
	The fees for the approval of building plans of all buildings (including covered stoep, veranda's, carports and outbuildings) calculated along the external walls on each floor and excluding the areas of external staircases, chimney breasts, architectural features and eaves, are as floows:				
	The minimum charge for any approval	530.00	564.00	598.00	631.00
	Minor building work as defined in the definitions of the NBR	530.00	564.00	598.00	631.00
	Swimming Pool	530.00	564.00	598.00	631.00
	Re-inspection of defective work (every inspection more than two)	530.00	564.00	598.00	631.00
	Re-submission of lapsed plans	954.00	1 016.00	1 077.00	1 136.00
	Alterations to drainage systems	434.60	463.00	491.00	518.00
	For all new buildings per m2	13.25	14.00	15.00	16.00
	For all as-built buildings, completed or under construction	63.60	68.00	72.00	76.00
	For new buildings over 500m2 (per m2)	11.66	12.00	13.00	14.00
	For all new buildings per m2 exceeding 1000m2	10.60	11.00	12.00	13.00
	Per Government subsidized house	53.00	56.00	59.00	62.00
	For additions to any existing building per m2	13.25	14.00	15.00	16.00
	For additions over 500m2 (per m2)	11.66	12.00	13.00	14.00
	For additions of buildings per m2 exceeding 1000m2	10.60	11.00	12.00	13.00
	For business temporary structure/s per square meter	4.24	5.00	5.00	5.00
	For any government building/s per square meter	53.00	56.00	59.00	62.00
	For residential temporary structure per square meter	2.12	2.30	2.40	2.50
	For internal alterations to existing buildings,				
	Between 0 & 250m2 any existing building per m2	795.00	847.00	898.00	947.00
	Between 250 & 500m2 any existing building per m2	901.00	960.00	1 018.00	1 074.00
	Between 500 & 750m2 any existing building per m2	1 537.00	1 637.00	1 735.00	1 830.00
	Between 750 & 1000m2 any existing building per m2	2 756.00	2 935.00	3 111.00	3 282.00
	Between 1000 & 5000m2 any existing building per m2	5 618.00	5 983.00	6 342.00	6 691.00
	Between 5000 & 10000m2 any existing building per m2	9 275.00	9 878.00	10 471.00	11 047.00
	Private Contractors - Council supervision per m2 per house type (over and above inspection fees)	106.00	113.00	120.00	127.00
	Postage of Plans less than weigh 1Kg	159.00	169.00	179.00	189.00
	Postage of Plans less than weigh 2Kg	318.00	339.00	359.00	379.00
	Postage of Plans less than weigh 5Kg	636.00	677.00	718.00	757.00
	Postage of Plans less than weigh 7Kg	1 272.00	1 355.00	1 436.00	1 515.00
	Postage of Plans exceeding weigh 7Kg	2 120.00	2 258.00	2 393.00	2 525.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.8.1.2	**Building Control Penalty and Fine schedule for Law-Enforcement (New)**				
	Completed illegal building per m2	15.90	17.00	18.00	19.00
	Submission fee for CIB per m2	47.70	51.00	54.00	57.00
	Occupancy cert for CIB per m2	1.10	1.20	1.30	1.40
	Aggressive CIB per m2	15.90	17.00	18.00	19.00
	Accumulative daily fine CIB	106.00	113.00	120.00	127.00
	Under construction illegal work per m2	63.60	68.00	72.00	76.00
	Submission fee for completed illegal work per m2	63.60	68.00	72.00	76.00
	Occupancy certificate for UCIW per m2	5.30	6.00	6.00	6.00
	Aggressive UCIW per m2	106.00	113.00	120.00	127.00
	Accumulative daily fine UCIW	106.00	113.00	120.00	127.00
	Dumping building rubble exceed 30days per m3	212.00	226.00	240.00	253.00
	Dumping building rubble exceed 60days per m3	318.00	339.00	359.00	379.00
	Encroachment to council land (per day)	106.00	113.00	120.00	127.00
	Failing to display building permit onsite	530.00	564.00	598.00	631.00
	Aggressive FDBP (per day)	106.00	113.00	120.00	127.00
	Shark for business	106.00	113.00	120.00	127.00
	Aggressive transgressor of erectiion of Shark for business	1 060.00	1 129.00	1 197.00	1 263.00
	Structure as nuisance in terms of Section 10	106.00	113.00	120.00	127.00
	Aggressive structure as nuisance	1 060.00	1 129.00	1 197.00	1 263.00
	Unauthorised erected public tent 500-1000m2	530.00	564.00	598.00	631.00
	Unauthorised erected public tent 1000-5000m2	1 060.00	1 129.00	1 197.00	1 263.00
	Unauthorised erected public tent 2000-10000m2	2 120.00	2 258.00	2 393.00	2 525.00
	Unauthorised erected public tent 10000-above	5 300.00	5 645.00	5 984.00	6 313.00
	Unauthorised erected artist stage	1 590.00	1 693.00	1 795.00	1 894.00
	Unauthorised demolising of structure/s	5 300.00	5 645.00	5 984.00	6 313.00
	Unauthorised occupying building/s	2 650.00	2 822.00	2 991.00	3 156.00
	Aggressive unauthorised occupying building/s (per day)	106.00	113.00	120.00	127.00
	Services rendered: Application in terms of the Northern Cape Planning and Development Act, 1998 (Act 7 of 1998): Basic fee plus	2 226.00	2 371.00	2 513.00	2 651.00
	Rezoning	816.20	869.00	921.00	972.00
	Consent use / Conditional uses	816.20	869.00	921.00	972.00
	All Departures to be approved by Council (except delegated departures)	816.20	869.00	921.00	972.00
	Subdivision:				
	Basic subdivision fee	816.20	869.00	921.00	972.00
	Thereafter:				
	3-10 erven an additional R100-00 (per erf)	159.00	169.00	179.00	189.00
	11-50 erven an additional R50-00 (per erf)	95.40	102.00	108.00	114.00
	51 and above erven an additional R10-00 (per erf)	21.20	23.00	24.00	25.00
	Advertising deposit per application (Local Newspapers)	1 590.00	1 693.00	1 795.00	1 894.00
	Removal, Suspension or Amendment of Title Deed	816.20	869.00	921.00	972.00
	Advertising: Government Gazette	4 028.00	4 290.00	4 547.00	4 797.00
	Advertising: Local Newspaper (two placements)	2 650.00	2 822.00	2 991.00	3 156.00
	Amendment of condition of approval/layout plan of previous Council decision without the basic fee	816.20	869.00	921.00	972.00
	Extension of Council approval without basic fee	816.20	869.00	921.00	972.00
	Cancellation Fee	318.00	339.00	359	379.00

	SECT	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Delegated Departures as per Zoning Scheme:					
Delegated departures (coverage: Erven less than 500 500m² not exceeding 60%)		477.00	508.00	538.00	568.00
Delegated departures (second dwelling: max 75m²) (excluding electrical contribution fees)		477.00	508.00	538.00	568.00
Delegated departures (garages/carports: not exceeding 6m on Street Building Lines except title conditions for garages)		477.00	508.00	538.00	568.00
All departures excluding the above for Council approval		1 378.00	1 468.00	1 556.00	1 642.00
Home Businesses: Per application only (No basic fee)					
Home business registration		583.00	621.00	658.00	694.00
Home business registration (Galeshewe)		583.00	621.00	658.00	694.00
Other:					
Information (without copy costs)		26.50	28.00	30.00	32.00
Zoning Certificate		84.80	90.00	95.00	100.00
CUP Reports/SDF/LUMS/IDP/GURP		954.00	1 016.00	1 077.00	1 136.00
Building Plan research (without copy costs)		26.50	28.00	30.00	32.00
Building statistics - Monthly		159.00	169.00	179.00	189.00
- Annually		1 166.00	1 242.00	1 317.00	1 389.00
1.8.1.3 **RESIDENTIAL BUSINESS BYLAW 2011**					
OFFENCE	**SECT**				
Any person who contravenes or fails to comply with this: The owner/operator of every residential business shall be the dwelling unit on the premises in which the business operates.	4.1 (i)	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: All heavy equipment such as tractors tailors, semi-trailers, or construction equipment mist be garaged screened with plantings or fencing to at least the height of the equipment	4.2	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: One commercial vehicle which is not heavy equipment and which is not more than two tons in rated capacity may be parked outdoors on the property. Additional commercial vehicle must be garaged or screened as for heavy equipment.	4.3	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: Any outdoors lighting fixture newly installed or replaced shall be shield so that it does not produce a strong, direct light beyond the property boundaries. Lighting must be compatible with the character of the district.	4.6 (i)	NEW	500.00	500.00	500.00
Any person who contravenes or fails to comply with this: Hours of operation: In no case shall a residential business be open to the public, including non-resident employees, clients, visitors, deliveries, earlier than 07h00 nor later than 21h00 with the exception of Tuck Shops may operate from 06h00-22h00.	4.7	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: General Nuisances: Any activity that might result in excessive noise, electrical interference, smoke, dust, odours, heat, or glare beyond that which is common to the residential character of the area is prohibited.	4.8	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: Hazardous Materials: No highly toxic, explosive, Flammable, combustible, corrosive, radioactive or similar hazardous materials shall be used, stored, or manufactured on the premises in amounts exceeding those found in normal residential use.	4.9	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: Retails sales: There shall be no sales of services or products on the premises which are not produced on the premises, except those sales which are incidental to the business.	4.1	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: No more two (2) employees who do not live on the premises shall be permitted to work on the premises at any one time for residential business	5.1	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: A residential business may not use more than of the gross floor area of the buildings for business purposes, as in accordance's with the municipality's Land Use Management scheme, from time to time.	5.2	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: Tuck shop shall serve a minimum of at least 60 household and least be at least 200m from formal business opportunity	6.1	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: Tuck shop trade is restricted to general household consumables and liquor sales shall not be permitted.	6.2	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: Tuck Shops shall only be allowed to operate between the hours of 06h00 to 22h00	6.3	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: Tuck Shops shall be of a separate, permanent structure and must be separated by a wall and/or door from other activities in the residential home, such as sleeping cooking or entertainment areas, if attached to the house	6.4	NEW	1 000.00	1 000.00	1 000.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Any person who contravenes or fails to comply with this: Tuck shop must adhere to the conditions as prescribed by the Municipality's Environmental Health By-law and must comply with National Building Regulations and Building Standards Act, 1977 **(103 of 1977)**	6.5	NEW	1 000.00	1 000.00	1 000.00

1.8.1.4 **BED & BREAKFAST –AND GUESTHOUSE ESTABLISHMENT BYLAW 2011**

OFFENCE

Any person who contravenes or fails to comply with this: No person may operate a bed and breakfast or a guesthouse facility on any premises unless he/she has comply with all applicable legislation, including:- (a) the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977) where all buildings constructed on the premises must comply with this Act and its by-laws; (b) the municipality's applicable Town Planning Scheme with specific reference to parking, floor area ratio, height, coverage and zoning, number or rooms, if prescribed by a Town Planning Scheme applicable to the area where the property is located and with municipality's Outdoor Advertising Signs Bylaws with reference to signage. (c) the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No 54 of 1972)as amended, and the By- laws governing general hygiene requirements for food premises and the transport of food, and the provisions of the National Health Act, 2003, (Act No 61 of 2003) in general. (d) the Broadcasting Act, 1999 (Act No 4 of 1999), as amended, if the lettable room is supplied with a television set; (e) the South African Music Rights Organisation (SAMRO) where a licence is required if background music is to be played to the guests; (f) the Northern Cape Liquor Act 4, 2008 (Act No 4 of 2008) read together with the Liquor Act 59, 2003, (Act 59 of 2003) if liquor, including complimentary drinks, are served to guests; (g) the Tobacco Products Control Amendment Act, 1999 (Act No 12 of 1999), as amended, where it is a requirement that signs are displayed in areas designated for smoking and no-smoking signs are displayed elsewhere;	2.1 (a)- (g)		R 2 000.00	R 2 000.00	R 2 000.00
Any person who contravenes or fails to comply with this: The premises must provide: access to bedrooms and bathrooms at all the times for registered guests;	2.2 (a)	NEW	R 2 000.00	R 2 000.00	R 2 000.00
Any person who contravenes or fails to comply with this: an area where breakfast can be served , adequate for the use of, and easily accessible to any guest on the premises	2.2 (c)	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: A bathroom and toilet for each lettable room suitably placed in a separate compartment which is close to the lettable room and is easily accessible to the guest/s of a lettable room and separate to that of the owner of the facility;	2.2 (d)	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: No kitchen facility may be provided to guests in the lettable rooms;	2.3	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: The operation of the facility may not detract from the residential character and amenities of the property or the immediate surroundings;	2.4	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: The facility may not include a place of public assembly or a place of public amusement.	2.6	NEW	R 1 000.00	R 1 000.00	R 1 000.00
Any person who contravenes or fails to comply with this: At least 20% of residential guest houses' site must be attributed to a garden area for common usage.	2.7	NEW	R 1 000.00	R 1 000.00	R 1 000.00
Any person who contravenes or fails to comply with this: At least 40% of the commercial guest houses' site must be attributed to a garden area for common usage.	2.8	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: Effective, paved parking, together with the necessary maneuvering area shall be providing on the erf to the satisfaction of the municipality, in accordance to the following ratios: (a) 1 parking space per bedroom or suite; plus (b) 1 parking space for staff; and (c) 1 parking space for visitors	2.9	NEW	R 1 500.00	R 1 500.00	R 1 500.00
Any person who contravenes or fails to comply with this: A person who wants to operate a bed and breakfast or guest house facility must – (a) be resident on the property; (b) abide by all relevant health, fire, business, labour, town planning and media laws and by-laws; (c) ensure that the application for municipality's special consent to operate a bed and breakfast or guest house facility is accompanied by letters of consent from the registered owners of the adjoining properties; (d) keep all sanitary, ablution and water supply fittings in good working order; (e) keep the premises and all furniture, fittings, appliances, equipment, containers, curtains, covers, hangings and other soft furnishings, table linen, bed linen and cloths of whatever nature used in connection with the facility in a clean, hygienic and good condition at all times; (f) supply fresh linen and unused soap for each letting; and (g) Take adequate measures to eradicate pests on the premises.	5 (a) – (g)	NEW	R 2 000.00	R 2 000.00	R 2 000.00

1.8.1.5 **CRECHES, CHILDCARE CENTRES AND NURSERY SCHOOLS BYLAW 2011**

OFFENCE		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
No person or body of persons shall establish, erect, maintain or conduct a crèche, child care centre or facility, or a crèche-cum-nursery school unless such person or body is in possession of a license from the municipality authorizing him to do so, specifying the premises to which such license relates and stating the number and ages of children permitted to be kept on such premises.	2.1	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: A license shall not be granted in terms of subsection (1) unless a crèche, child care centre or crèche-cum-nursery school complies with the provisions of these by-laws to the satisfaction of the municipality's officer of health	2.2	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: A person, or in the case of crèche or crèches-cum-nursery school administered by a body of persons, such body, licensed in terms of subsection (1), shall be responsible for the care and supervision of the children specified in such license and shall at all times be responsible to the municipality for the satisfactory performance of his obligations in terms of such license.	2.3	NEW	2 000.00	2 000.00	2 000.00
Any person who contravenes or fails to comply with this: A license issued in terms of this section shall not be transferable.	2.4	NEW	1 000.00	1 000.00	1 000.00
Any person who contravenes or fails to comply with this: A license issued in the form of a certificate of approval must be displayed at all times on the inside of the main door of the child care facility, crèche or crèche-cum-nursery school.	2.5	NEW	500.00	500.00	500.00
Any person who contravenes or fails to comply with this: The following minimum accommodation and facilities shall be provided in respect of crèche, child care centres and crèches-cum-nursery schools admitting for all-day care children aged 3 years and over but under school-going age.	3.1 (a) - (e)	NEW		-	-
(a) An office		NEW	500.00	500.00	500.00
(b) A staff room provided that one room may, subject to the approval of the officer of health, be used as an office and staff room combined;		NEW	500.00	500.00	500.00
(c) An isolation room with a minimum floor area of 2m x 3m, fitted with a built-in wash-hand basin with hot and cold running water and equipped with a first –aid cupboard and equipment and bed or stretcher		NEW	500.00	500.00	500.00
(d) A playroom for play activities, serving of meals and sleeping purposes with a minimum free-playing area of $3m^2$ for every child, not more than one-third of the total indoor play area may consist of a covered veranda or stoep, which shall be protected against wind, rain and other inclement weather conditions.		NEW	500.00	500.00	500.00
(e) A kitchen complying with the following requirements					
(i) The kitchen including scullery, shall have a minimum floor area of $14m^2$ for a maximum of 30 children accommodated with an additional o,3 m^2 per child for 30 to 100 children and a further 0.1 m^2 per child for every child in excess of		NEW	1 000.00	1 000.00	1 000.00
(ii) The kitchen shall be provided with a double compartment sink, wash-hand basin, vegetable washing sink and where the officer of health deems it necessary; an approved pot-washing sink shall be installed on the premises		NEW	500.00	500.00	500.00
(iii) In the discretion of the municipality and after due consideration having being given to the manner, amount and nature of cooking undertake on the premises, there shall be provided, immediately above every cooking stove, oven or similar apparatus, a hood or canopy of adequate size, having a flue at least300mm in diameter and in addition such mechanical device as the Municipality shall deem necessary in these circumstances, exhausting to the atmosphere at such a position or manner as is necessary to prevent the discharge there from constituting a nuisance or annoyance to the neighbourhood: provided that where the municipality is satisfied that the purposes of this subsection will be effectively achieved thereby, a mechanical device may be provided instead of a hood or canopy as aforesaid;		NEW	1 000.00	1 000.00	1 000.00
(iv) The washbasins mentioned in paragraph (5)(b) shall be made of stainless steel or other approved impervious material and shall have an adequate and wholesome supply of hot and cold running water effectively distributed and laid over the sinks and wash-hand basins		NEW	500.00	500.00	500.00
(v) Each bowl of the double –compartment sink shall have a minimum depth of 225mm and minimum capacity of 55 litres		NEW	200.00	200.00	200.00
(vi) The draining boards of the sinks shall be fitted with 150 mm splash screens and installed 100mm from any wall surface, and every part of a wall surface within 600mm from any part of the sink or draining board so installed, shall be tiled or given some other approved finish having similar properties to a tiled surface, to a height at least 1.5 m from the floor.		NEW	1 000.00	1 000.00	1 000.00
(vii) The floor of the kitchen shall be of concrete or other similar impervious material		NEW	500.00	500.00	500.00
(viii) Natural light and ventilation shall be provided in accordance with the municipality's building by-laws		NEW	800.00	800.00	800.00
(ix) Wall surfaces shall be tiled or smooth-plastered and oil-painted in light-coloured oil		NEW	1 000.00	1 000.00	1 000.00
(x) Ceilings shall be dust proof		NEW	500.00	500.00	500.00
(xi) All cupboards, shelves and other equipment for the storage of kitchen utensils and equipment shall be of metal and shall be so fitted or situated as to be easily cleaned and not for favour the harbourage of insects, rodents and other vermin;		NEW	800.00	800.00	800.00
(xii) All worktables shall be constructed of metal with a stainless steel top;		NEW	500.00	500.00	500.00
(xiii) The stove or other cooking units shall be so installed as to allow easy access between the stove or cooking unit and the adjoining wall surfaces to allow for cleaning;		NEW	500.00	500.00	500.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	(xiv) Facilities for the storage of vegetables shall be provided;	NEW	500.00	500.00	500.00
	(xv) There shall be provided suitable refrigeration facilities for the storage of perishable foodstuffs	NEW	1 000.00	1 000.00	1 000.00
	(xvi) There shall be provided a sufficient number of metal bins with covers for the temporary storage of refuse pending disposal	NEW	1 000.00	1 000.00	1 000.00
1.8.2	**Advertising**				
	Application fee	250.00	270.00	290.00	310.00
	Directional sign board single once off	1000.00	1 050.00	1 103.00	1 156.00
	Directional sign board double once off	1960.00	2 058.00	2 161.00	2 267.00
	LED - Digital Billboard displayed on municipal property per month	1 500.00	1 575.00	1 654.00	1 735.00
	Per banner	240.00	252.00	265.00	278.00
	Per Illegal Boards	300.00	315.00	331.00	345.00
	Per Illegal Boards Additional fee if not removed within 2 (two) weeks	200.00	210.00	221.00	232.00
	NGO's, Churches, Schools etc. deposit upfront and if the posters are removed within a week, the deposit is 100% refundable, if it is not removed within a week Council will be liable to clean the city and the deposit is then non-refundable	1000.00	1 050.00	1 103.00	1 155.00
	Political poster deposit upfront and if the posters are removed within a week, the deposit is 100% refundable, if it is not removed within a week Council will be liable to clean the city and the deposit is then non-refundable	5000.00	5 250.00	5 513.00	5 775.00
1.8.3	**Plan Printing Charges**				
	Paper prints:				
	Size A4	5.30	6.00	6.00	6.00
	Size A3	7.95	8.00	8.00	8.00
	Size A2	10.60	11.00	12.00	13.00
	Size A1	42.40	45.00	48.00	51.00
	Size A0	63.60	68.00	72.00	76.00
	Opaque Film Prints & Transparent Prints				
	Size A4	15.90	17.00	18.00	19.00
	Size A3	31.80	34.00	36.00	38.00
	Size A2	84.80	90.00	95.00	100.00
	Size A1	116.60	124.00	131.00	138.00
	Size A0	180.20	192.00	204.00	215.00
	Plans plotted by REGIS System				
	Size A4	36.57	39.00	41.00	43.00
	Size A3	48.76	52.00	55.00	58.00
	Size A2	98.05	104.00	110.00	116.00
	Size A1	146.81	156.00	165.00	174.00
	Size A0	171.72	183.00	194.00	205.00
	Paper prints: Color				
	Size A4	3.18	3.40	3.60	3.80
	Size A3	3.18	3.40	3.60	3.80
	Size A2	8.48	9.00	10.00	11.00
	Size A1	46.64	50.00	53.00	56.00
	Size A0	58.30	62.00	66.00	70.00
	Opaque Film Prints & Transparent Prints Color				
	Size A4	20.14	21.00	22.00	23.00
	Size A3	38.16	41.00	43.00	45.00
	Size A2	102.82	110.00	117.00	123.00
	Size A1	140.98	150.00	159.00	168.00
	Size A0	211.00	225.00	239.00	252.00
	Plans plotted by REGIS System - Color				
	Size A4	48.76	52.00	55.00	58.00
	Size A3	73.14	78.00	83.00	88.00
	Size A2	122.43	130.00	138.00	146.00
	Size A1	196.10	209.00	222.00	234.00
	Size A0	208.29	222.00	235.00	248.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Other				
	Information (without copy cart)	21.20	23.00	24.00	25.00
	CUP Reports/SDF/LUMS/IDP/GURP	106.00	113.00	120.00	127.00
	Building Plan search fee (without copy cart)	1 060.00	1 129.00	1 197.00	1 263.00
	Building Statistics - Monthly	106.00	113.00	120.00	127.00
	- Annually	1 060.00	1 129.00	1 197.00	1 263.00
	Building Occupancy Certificate	106.00	113.00	120.00	127.00
	Building Occupancy before completion of building work	265.00	282.00	299.00	315.00
	Hoarding on Municipal property per square meter	106.00	113.00	120.00	127.00
	Compulsory (removal executed by Municipal) of Building rubble per m3 load	530.00	564.00	598.00	631.00
	Penalty on illegal building structure/s, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on illegal encroaching to adjacent erf/erven, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on Illegal usage of property other than as zoned, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on Illegal closing of adjacent neighbour access, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on Illegal closing for storm water flow allowance, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on deviation from approved building plan/s, per day and to be attached to account	159.00	169.00	179.00	189.00
	Penalty on illegal encroaching to municipality land or property, per day and to be attached to account	159.00	169.00	179.00	189.00
	Unauthorised sewer connection	1 060.00	1 129.00	1 197.00	1 263.00
	Unauthorised water connection	1 060.00	1 129.00	1 197.00	1 263.00
	Unauthorised electrical connection	1 060.00	1 129.00	1 197.00	1 263.00
	Commencing building work or statutory stages controlled without council authorisation	530.00	564.00	598.00	631.00
	Unauthorised erection of structures for event	15 900.00	16 934.00	17 950.00	18 937.00
1.9	**PARKS & REACREATION (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**				
1.9.1	**TARIFFS FOR RECREATION HALL**				
	Development Sport				
	Training sessions (Monday - Thursday)				
	07:45 - 16:30 (per hour)	36.00	40.00	42.00	44.10
	Deposit	80.00	85.00	89.25	93.71
*	Monday - Friday				
	07:00 - 12:00 (per session)	240.00	260.00	273.00	286.65
	12:00 - 17:00 (per session)	240.00	260.00	273.00	286.65
	17:00 - 07:00 (per hour)	300.00	325.00	341.25	358.31
*	Saturdays				
	A basic fee is charged for 4 hours or part thereof	485.00	515.00	540.75	567.79
	For every additional hour which the facility is used an additional tariff is payable	245.00	265.00	278.25	292.16
*	Sundays & Public Holidays				
	A basic fee is charged for 4 hours or part thereof	500.00	530.00	556.50	584.33
	For every additional hour which the facility is used an additional tariff is payable	250.00	270.00	283.50	297.68
*	All Dances				
	A basic fee is charged for 4 hours or part thereof	1 700.00	1 800.00	1 890.00	1 984.50
	For every additional hour which the facility is used an additional tariff is payable	500.00	540.00	567.00	595.35
*	Funerals - for 4 hours	450.00	490.00	514.50	540.23
	For every additional hour	245.00	265.00	278.25	292.16
	Preparation fee (per hour)	300.00	325.00	341.25	358.31

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
*	Deposit	800.00	850.00	892.50	937.13
1.9.2	**TARIFFS FOR SOCIAL CENTRE, R C ELLIOTT HALL AND RITCHIE**				
	Development Sport				
	Training sessions (Monday - Thursday)				
	07:45 - 16:30 (per hour)	36.00	40.00	42.00	44.10
	Deposit	80.00	85.00	89.25	93.71
*	Monday - Friday				
	07:00 - 12:00 (per session)	240.00	260.00	273.00	286.65
	12:00 - 17:00 (per session)	240.00	260.00	273.00	286.65
	17:00 - 07:00 (per hour)	300.00	325.00	341.25	358.31
*	Saturdays				
	A basic fee charged for 4 hours or part thereof	485.00	515.00	540.75	567.79
	For every additional hour which the facility is used an additional tariff is payable	245.00	265.00	278.25	292.16

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
*	Sundays & Public Holidays				
	A basic fee is charged for 4 hours or part thereof	500.00	530.00	556.50	584.33
	For every additional hour which the facility is used an additional tariff is payable	250.00	270.00	283.50	297.68
*	All Dances				
	A basic fee is charged for 4 hours or part thereof	1 700.00	1 800.00	1 890.00	1 984.50
	For every additional hour which the facility is used an additional tariff is payable	500.00	540.00	567.00	595.35
*	Funerals - for 4 hours	450.00	490.00	514.50	540.23
	For every additional hour	245.00	265.00	278.25	292.16
	Preparation fee (per hour)	300.00	325.00	341.25	358.31
*	Deposit	800.00	845.00	887.25	931.61
1.9.3	**TARIFFS FOR FLORIANVILLE HALL**				
	Development Sport				
	Training sessions (Monday - Thursday)				
	07:45 - 16:30 (per hour)	36.00	40.00	42.00	44.10
	Deposit	80.00	85.00	89.25	93.71
*	Monday - Friday				
	07:00 - 12:00 (per session)	240.00	260.00	273.00	286.65
	12:00 - 17:00 (per session)	240.00	260.00	273.00	286.65
	17:00 - 07:00 (per hour)	300.00	325.00	341.25	358.31
*	Saturdays				
	A basic fee charged for 4 hours or part thereof	460.00	515.00	540.75	567.79
	For every additional hour which the facility is used an additional tariff is payable	240.00	265.00	278.25	292.16
*	Sundays & Public Holidays				
	A basic fee is charged for 4 hours or part thereof	500.00	530.00	556.50	584.33
	For every additional hour which the facility is used an additional tariff is payable	250.00	270.00	283.50	297.68
*	All Dances				
	A basic fee is charged for 4 hours or part thereof	1 700.00	1 800.00	1 890.00	1 984.50
	For every additional hour which the facility is used an additional tariff is payable	500.00	540.00	567.00	595.35
*	Funerals - for 4 hours	450.00	490.00	514.50	540.23
	For every additional hour	245.00	265.00	278.25	292.16
	Preparation fee (per hour)	300.00	325.00	341.25	358.31
*	Deposit	800.00	840.00	882.00	926.10
	GARDNER WILLIAMS HALL, GREENPOINT HALL AND GALESHEWE CENTRE (ABATHO BANTU HALL)				
1.9.4	Development Sport				
	Training sessions (Monday - Thursday)				
	07:45 - 16:30 (per hour)	36.00	40.00	42.00	44.10
	Deposit	80.00	85.00	89.25	93.71
*	Monday - Friday				
	07:00 - 12:00 (per session)	170.00	180.00	189.00	198.45
	12:00 - 17:00 (per session)	170.00	180.00	189.00	198.45
	17:00 - 07:00 (per hour)	170.00	180.00	189.00	198.45
*	Saturdays				
	A basic fee charged for 4 hours or part thereof	460.00	490.00	514.50	540.23

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	For every additional hour which the facility is used an additional tariff is payable	230.00	250.00	262.50	275.63
*	Sundays & Public Holidays				
	A basic fee is charged for 4 hours or part thereof	530.00	530.00	556.50	584.33
	For every additional hour which the facility is used an additional tariff is payable	270.00	270.00	283.50	297.68
*	Deposit	800.00	845.00	887.25	931.61
*	All Dances				
	A basic fee is charged for 4 hours or part thereof	1 700.00	1 800.00	1 890.00	1 984.50
	For every additional hour which the facility is used an additional tariff is payable	500.00	540.00	567.00	595.35
*	Funerals - for 4 hours	450.00	490.00	514.50	540.23
	For every additional hour	245.00	265.00	278.25	292.16
	Preparation fee (per hour)	300.00	325.00	341.25	358.31
*	Deposit	800.00	845.00	887.25	931.61
1.9.5	**CITY HALL**				
*	Monday - Friday				
	07:00 - 12:00 (per session)	730.00	780.00	819.00	859.95
	12:00 - 17:00 (per session)	730.00	780.00	819.00	859.95
	17:00 - 07:00 (per hour)	425.00	455.00	477.75	501.64
*	Saturdays				
	A basic fee charged for 4 hours or part thereof	1 050.00	1 200.00	1 260.00	1 323.00
	For every additional hour which the facility is used an additional tariff is payable	300.00	325.00	341.25	358.31
*	Sundays & Public Holidays				
	A basic fee is charged for 4 hours or part thereof	1 200.00	1 300.00	1 365.00	1 433.25
	For every additional hour which the facility is used an additional tariff is payable	390.00	455.00	477.75	501.64
*	Deposit	850.00	900.00	945.00	992.25
**	All Dances				
	A basic fee is charged for 4 hours or part thereof	1 700.00	1 800.00	1 890.00	1 984.50
	For every additional hour which the facility is used an additional tariff is payable	520.00	555.00	582.75	611.89
**	Deposit	850.00	950.00	997.50	1 047.38
***	Supper Room				
	07:00 - 12:00 (per session)	600.00	645.00	677.25	711.11
	12:00 - 17:00 (per session)	600.00	645.00	677.25	711.11
	17:00 - 07:00 (per hour)	765.00	820.00	861.00	904.05
***	Funerals - for 4 hours	1 100.00	1 170.00	1 228.50	1 289.93
	For every additional hour	300.00	325.00	341.25	358.31
	Aircon \ 8 hour session	800.00	845.00	887.25	931.61
	Preparation fee (per hour)	350.00	375.00	393.75	413.44
***	Deposit	750.00	790.00	829.50	870.98

If a request is received from the following organisations/institutions, a 50% may be granted

* Registered Welfare Organisations
* Registered Non-profitable Organisations
* Schools
* Churches

NB. Government Departments to pay full tariff.

1.9.6 **PROPERTY SERVICES**

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Administration costs per transaction levy -				
	15% of the sale / hire price:				
	* Minimum	500.00	533.00	565.00	596.00
	* Maximum	1 500.00	1 597.00	1 693.00	1 786.00
1.9.7	**TRAFFIC**				
	FUNCTIONS, MARCHES & SPORT				
	Monday to Saturday				
	One or two Officers per event	880.00	890.00	900.00	920.00
	Three or four Officers per event	1 760.00	1 770.00	1 800.00	1 840.00
	More than four Officers per event	2 200.00	2 210.00	2 300.00	2 350.00
	Sunday and Public Holidays				
	Per Officer per hour or part thereof	825.00	840.00	875.00	900.00
	ESCORT OF ABNORMAL LOADS				
	Monday to Saturday				
	Per Officer per hour or part thereof	495.00	510.00	510.00	520.00
	Sunday and Public Holidays				
	Per Officer per hour or part thereof	1 700.00	1 710.00	1 800.00	1 900.00
	RENTAL OF ROAD SIGNS				
	Renting of temporary Road Signs -	275.00	280.00	285.00	290.00
	Deposit per sign	165.00	170.00	175.00	180.00
	HIRE OF PARKING BAY				
	Hiring of a Parking Bay per Parking Bay per Day	150.00	155.00	160.00	165.00
	SEARCH FEES				
	Service of Summonses for other Local Authorities (per Summons executed)	85.00	90.00	100.00	110.00
	WEIGHBRIDGE				
	0 - 3500 kg	100.00	100.00	110.00	130.00
	3500 - 9000 kg	200.00	200.00	215.00	220.00
	9000 - 16000 kg	300.00	300.00	330.00	350.00
	Above 16000 kg	500.00	500.00	550.00	575.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.9.8	**LIBRARY**				
	Videos, Fiksie en Nie-fiksie / DVD	5.50	6.00	6.30	6.62
	Damaged barcode	2.10	2.50	2.63	2.76
	Postal tariffs : reminders	6.75	7.00	7.35	7.72
	Fines : per week	2.00	2.00	2.10	2.21
	: per month	8.00	8.00	8.40	8.82
	Maximum fine per item	30.00	30.00	31.50	33.08
	Reservation fee	4.00	4.00	4.20	4.41
	Admin fee : Phone calls	8.50	9.00	9.45	9.92
	Admin fee : Cell phone calls	15.00	16.00	16.80	17.64
	Book record covers	5.00	5.00	5.25	5.51
	Duplicate computer membership card	20.00	25.00	26.25	27.56
	Photocopy charges - A4	0.50	0.50	0.53	0.55
	- A3	1.00	1.00	1.05	1.10
	Country members (per annum)	110.00	120.00	126.00	132.30
	Visitors - deposit	110.00	120.00	126.00	132.30
	- fee	90.00	100.00	105.00	110.25
	Laminates:				
	A4	7.75	8.00	8.40	8.82
	A3	11.50	12.00	12.60	13.23
	85mm x 60	4.00	5.00	5.25	5.51
	A5	New tariff	6.00	6.30	6.62
	Inter library loans	65.00	70.00	73.50	77.18
	Books rebinding	45.00	50.00	52.50	55.13
	Toilet tariff	0.50	0.50	0.53	0.55
	CD container / DVD	5.00	5.00	5.25	5.51
	Research fee (inter library loans)	12.00	12.00	12.60	13.23
	Fax facility:				
	Local per page	4.50	4.50	4.73	4.96
	National per page	8.00	8.00	8.40	8.82
	International per page	33.00	25.00	26.25	27.56
	Faxes received per page	2.75	3.00	3.15	3.31
	Fax to mail (all 086 numbers) per page	7.50	10.00	10.50	11.03
	MAIN- AND GALESHEWE LIBRARIES				
	Non-profitable Organisations and Cultural Activities				
	Per session	100.00	110.00	115.50	121.28
	Kitchen facilities	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75
	Commercial Institutions and Political Parties				
	Per session	250.00	300.00	315.00	330.75
	Kitchen facilities	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75
	Audio visual material (per item)	50.00	60.00	63.00	66.15
	Data Projector (Main Library only) per session	270.00	280.00	294.00	308.70
	HALL RENTALS				
	SONNY LEON LIBRARY				
	Non-profitable organisations and Cultural Activities				
	Per session	75.00	80.00	84.00	88.20
	Kitchen facilities	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Commercial Institutions and Political Parties				
	Per session	140.00	160.00	168.00	176.40
	Kitchen facilities	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75
	Audio visual material (per item)	50.00	60.00	63.00	66.15
	HALL RENTALS				
	BEACONSFIELD AND JUDY SCOTT LIBRARIES				
	Non-profitable organizations and Cultural Activities				
	Per session	75.00	80.00	84.00	88.20
	Kitchen	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75
	Commercial Institutions and Political Parties				
	Per session	140.00	160.00	168.00	176.40
	Kitchen facilities	40.00	40.00	42.00	44.10
	Deposit	300.00	300.00	315.00	330.75
	Audio visual material (per item)	50.00	60.00	63.00	66.15
	AFRICANA LIBRARY				
	Research fees				
*	National	690.00	720.00	756.00	793.80
*	International	850.00	900.00	945.00	992.25
*****	**Pro rata fees will be levied for partially research request**				
1.9.9	**EMERGENCY SERVICES**				
	Km Turnout fees				
	(Calculated per vehicle per Km traveled from turnout to the incident to return to the Fire Station)				
	* Fire fighting vehicle	27.50	30.25	33.28	36.60
	* Assistance vehicle	5.10	5.61	6.17	6.79
	Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles				
	(Calculated per fire fighting vehicle, portable pump or assistance vehicle for the first two (2) hours from turnout to the incident to the time the vehicle return to the Fire Station)				
	Fire fighting vehicles / Rescue pumper	1320.00	1452.00	1 597.20	1 756.92
	Portable pump	660.00	726.00	798.60	878.46
	Assistance vehicle	660.00	726.00	798.60	878.46
	Hazmat Pumps	1320.00	1452.00	1 597.20	1 756.92
	Turnout fees for the fire fighting vehicles, portable pumps and assistance vehicles				
	(Calculated per fire fighting vehicle, portable pump or assistance vechicle for every hour or part thereof after the first two (2) hours from the first minute from the first two (2) hours to the time the vehicle return to the Fire Station)				
	Fire fighting vehicles / Rescue pumper	660.00	726.00	798.60	878.46
	Portable pump	330.00	363.00	399.30	439.23
	Assistance vehicle	330.00	363.00	399.30	439.23
	Hazmat Pumps	660.00	726.00	798.60	878.46
	Personnel tariffs				
	(Calculated per personnel member on duty at the incident for every hour or part thereof from the turnout to the incident to the time the vehicle return to the Fire Station)				
	Chief Emergency service or any member	363.00	399.00	438.90	482.79

	PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
Specialized equipment				
(Calculated per unit used)				
Chemical extinguisher	275.00	300.00	330.00	363.00
CO² extinguisher	275.00	300.00	330.00	363.00
Breathing apparatus	193.00	210.00	231.00	254.10
Refill of SCBA/SCUBA cylinder : per cylinder	22.00	24.00	26.40	29.04
* Jaws of Life rescue equipment - per incident / use	572.00	625.00	687.50	756.25
* Rollgliss rescue equipment - per incident / use	572.00	625.00	687.50	756.25
* Medical equipment (consumables) - per patient	275.00	300.00	330.00	363.00
* Pneumatic Equipment - per incident / use	572.00	625.00	687.50	756.25
* Chemical suites - per suit per incident	Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement cost+
* Hazmat equipment (consumables) - per incident / use	Replacement cost+20%	Replacement cost+20%	Replacement cost+20%	Replacement cost+
Fire extinguishing material				
(Calculated per unit state or part thereof)				
Water - municipal tariff per Kl				
CO² - purchase tariff per Kg	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%
Dry chemical powder - purchase tariff per Kg	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%
Foam - purchase tariff per liter	Tarrif +20%	Tarrif +20%	Tarrif +20%	Tarrif +20%
Inspection fees				
(Calculated per inspection or plan approved)				
Fire prevention inspection, building plans and sites per project	330.00	363.00	399.30	439.23
Inspection of flammable liquids, solids and gasses installations:				
* 1 liter - 2000 liter	385.00	420.00	462.00	508.20
* 2001 liter - 5000 liter	495.00	545.00	599.50	659.45
* 5001 liter - 50000 liter	605.00	665.00	731.50	804.65
* 50001 lire and more	715.00	785.00	863.50	949.85
*Tankers - irrespective the size and inspected at the Emergency Services - per registration certificate	363.00	399.00	438.90	482.79
Inspection and service of fire extinguishers for Municipal Sections - per extingiusher serviced.	as per tender	as per tender	as per tender	as per tender
Monitoring of fire alarms (per month per alarm)	145.00	160.00	176.00	193.60
Training				
As per Prospectus - calculated in terms of time and material used.				
1.9.10 **DEVELOPMENT SERVICES**				
Tram				
Single trip (Adults) (Return Trip 2x single)	25.00	15.00	16.00	17.00
Single trip (Children - Primary School) (Return Trip 2x single)	10.00	10.00	11.00	12.00
Regional Tourism Centre				
Kiosk:				
Minimum tender price/month - 12 month period	1 050.00	1 103.00	1 158.00	1 216.00
Cubicles:				
Minimum tender price/month - 12 month period	750.00	788.00	827.00	868.00
Exhibition space per m² per day	13.00	14.00	15.00	16.00
Hawkers shelter per day	25.00	26.00	27.00	28.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	Informal Trade facilities				
	Stalls with storage facilities	260.00	275.00	290.00	305.00
	Stalls without storage facilities	125.00	132.00	139.00	146.00
	Fruits and Vegetable Structures	170.00	180.00	190.00	200.00
	Pension Pay Points (Card Carrying Pensioners)	50.00	53.00	56.00	59.00
	Caravans within CBD (Auction set-off price)	330.00	349.00	368.00	388.00
	Caravans outside CBD	165.00	175.00	185.00	195.00
1.9.11	**POUND SERVICES**				
	Impounding:				
	Horses, donkey's, cattle and pigs per day	121.00	133.00	146.30	160.93
	Sheep and goat (each)	44.00	48.00	52.80	58.08
	Maintenance				
	Horses, donkey's, cattle and pigs per day	44.00	48.00	52.80	58.08
	Sheep and goat (each)	22.00	24.00	26.40	29.04
	G.W.K rent tariff				
	Large stock unit	44.00	48.00	52.80	58.08
	Small stock unit	27.50	30.00	33.00	36.30

The tariff per kilometre will be applicable for animals brought to the pound by an individual with a (LCV) light commercial vehicle. The tariff paid will be in accordance with the AA Vehicle Rates Calculator.

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.10	**LABORATORY TARIFFS (COMMUNITY & SOCIAL DEVELOPMENT SERVICES)**				
	Chemical Analysis				
	Digester samples	446.00	472.00	498.00	524.00
	Waste activated sludge	126.00	133.00	140.00	147.00
	Sludge volume index	63.00	67.00	71.00	75.00
	Nitrates	100.00	106.00	112.00	118.00
	Potassium	121.00	128.00	135.00	142.00
	Sulfates	121.00	128.00	135.00	142.00
	Phosphate	121.00	128.00	135.00	142.00
	Fluoride	121.00	128.00	135.00	142.00
	Total solids	121.00	128.00	135.00	142.00
	Free Residual Chlorine	63.00	67.00	71.00	75.00
	Magnesium	137.00	145.00	153.00	161.00
	COD	111.00	117.00	123.00	130.00
	TKN = Total Kjeldahl Nitrogen	137.00	145.00	153.00	161.00
	NH-3/Ammonia	137.00	145.00	153.00	161.00
	Zinc	137.00	145.00	153.00	161.00
	Iron	137.00	145.00	153.00	161.00
	Manganese	137.00	145.00	153.00	161.00
	Plate Count	127.00	134.00	141.00	148.00
	Suspended solids	127.00	134.00	141.00	148.00
	Hardness	127.00	134.00	141.00	148.00
	Alkalinity	127.00	134.00	141.00	148.00
	Total Chloride	127.00	134.00	141.00	148.00
	Aluminium	127.00	134.00	141.00	148.00
	PH	new	58.00	61.00	64.00
	Conductivity	new	58.00	61.00	64.00
	Turbidity	new	58.00	61.00	64.00
	Dissolved Oxygen	new	58.00	61.00	64.00
	Packets				
	Water Bacteriological E. coli and coli	255.00	270.00	285.00	300.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.11	**MISCELLANEOUS (FINANCIAL SERVICES)**				
1.11.1	Furnishing of information				
	(a) Search of any account	47.00	50.00	53.00	56.00
	(b) For the inspection of any Deed document or diagram or any details relating thereto	47.00	50.00	53.00	56.00
	(c) For the supply of any Certificate of Valuation or of the outstanding charges against property	47.00	50.00	53.00	56.00
	(excluding requests by the court for estate purposes or by attorneys)				
	(d) In respect of any search of information where a fee for such search has not been prescribed by (a), (b) or (c).	140.00	149.00	159.00	169.00
	NB. ABOVE - In respect of (a)(b) and (d) for every hour or portion thereof				
1.11.2	Water - Reconnection fees	600.00	639.00	681.00	725.00
	Water - Disconnection fees	600.00	639.00	681.00	725.00
	Water - Temporary consumption (Funerals, etc.)	140.00	149.00	159.00	169.00
1.11.3	Special meter reading	140.00	149.00	159.00	169.00
1.11.4	Meter test - Electricity	450.00	479.00	510.00	543.00
	Electricity - Temporary consumption (Funerals, etc.)	230.00	245.00	261.00	278.00
1.11.5	Electricity - Non-payment penalty:				
	* For Conventional meters	400.00	426.00	454.00	484.00
	* For Prepaid meters	250.00	266.00	283.00	301.00
1.11.6	Electricity - Reconnection fees				
	(Controller Wire)	450.00	479.00	510.00	543.00
	Tampering administration fee	1 100.00	1 172.00	1 248.00	1 329.00
	Tamper disconnection fee	2 200.00	2 343.00	2 495.00	2 657.00
	Tamper reconnection fee	2 200.00	2 343.00	2 495.00	2 657.00
1.11.7	Informal Housing - Erven with pails				
	Bulk refuse	23.00	24.00	26.00	28.00
	Pails	See sanitation	See sanitation	See sanitation	See sanitation
	High Mast	21.00	22.00	23.00	24.00
	Gravel road	20.00	21.00	22.00	23.00
	Stand pipe	23.00	24.00	26.00	28.00
1.11.8	Informal Housing - Sewered Erven				
	Bulk refuse	23.00	24.00	26.00	28.00
	Sewerage	See sanitation	See sanitation	See sanitation	See sanitation
	High Mast	21.00	22.00	23.00	24.00
	Gravel road	20.00	21.00	22.00	23.00
	Stand pipe	23.00	24.00	26.00	28.00
1.11.9	Dog license fees (per year)				
	Dogs (male) and sterilized bitches				
	(per dog to a maximum of two dogs)	80.00	85.00	91.00	97.00
	Bitches (per bitch to a maximum of two dogs)	170.00	181.00	193.00	206.00
	Three dogs and more with written permission from Council	300.00	320.00	341.00	363.00
	Pensioners (maximum 1 dog)	20.00	21.00	22.00	23.00
1.11.10	Electricity availability	170.00	181.00	193.00	206.00
1.11.11	Water availability	170.00	181.00	193.00	206.00
1.11.12	Fixed electricity (limited supply - 2Amps)	170.00	181.00	193.00	206.00

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.11.13	Deposits - Electricity and Water Supply				
	Flats:				
	1-Bedroom	900.00	958.00	1 020.00	1 086.00
	2-Bedroom	1 000.00	1 065.00	1 134.00	1 208.00
	3-Bedroom	1 000.00	1 065.00	1 134.00	1 208.00
	Townhouses:				
	2-Bedroom	1 000.00	1 065.00	1 134.00	1 208.00
	3-Bedroom	1 300.00	1 385.00	1 475.00	1 570.00
	Domestic Houses:				
	2-Bedroom	1 000.00	1 065.00	1 134.00	1 208.00
	3-Bedroom	1 300.00	1 385.00	1 475.00	1 570.00
	More than 3-bedrooms	2 000.00	2 130.00	2 268.00	2 415.00
	Builders water deposit	2 000.00	2 130.00	2 268.00	2 415.00
	Business/Industries:				
	Small power users	2 000.00	2 130.00	2 268.00	2 415.00
	Large power users	4 700.00	5 006.00	5 331.00	5 678.00
	Rural consumers				
	Informal housing	57.00	61.00	65.00	69.00
	Businesses/Industries:				
	Bulk water supply	4 700.00	5 006.00	5 331.00	5 678.00
	Indigents - Water deposit	50.00	53.00	56.00	60.00
1.11.14	Valuation Roll (CD or Disk)	3 500.00	3 728.00	3 970.00	4 228.00
1.11.15	Address List (CD or Disk)	3 500.00	3 728.00	3 970.00	4 228.00
1.11.16	Penalty for an unmetered (official)				
	Water connection	9 000.00	9 585.00	10 208.00	10 872.00
	Thereafter a daily penalty until meter is installed (per day)	900.00	959.00	1 021.00	1 087.00
	Consumption per house	4 500.00	4 793.00	5 105.00	5 437.00
1.11.17	Electricity and water availability for Business/Industries/State to be determined. Increase to be in line with average tariff increase				
1.11.18	Late objection to General Valuation Roll or Supplementary Valuation Roll				
	Prescribed application fee for consideration of late objection and review	250.00	266.00	283.00	301.00
1.11.19	A basic tariff for services which are impractical to be metered as per the Tariff Policy	95.00	101.00	108.00	115.00
1.11.20	All financial transactions on services or other, billed by the municipality attracting interest will be charged such interest at a rate of prime (bank rate) plus 1 %.				

		PRESENT TARIFFS	PROPOSED TARIFFS 2015/07/01	PROPOSED TARIFFS 2016/07/01	PROPOSED TARIFFS 2017/07/01
		R	R	R	R
1.12	**WATER TARIFFS (SERVICES & INFRASTRUCTURE)**				
1.12.1	Water Connections				
	Size of Connection (mm) / Size of Meter (mm)				
	20 / 15	6 386.54	6 801.67	7 218.61	7 658.23
	25 / 20	6 637.22	7 068.64	7 501.95	7 958.82
	40 / 32	13 108.86	13 960.94	14 816.74	15 719.08
	50 / 40	15 428.21	16 431.04	17 438.26	18 500.26
	80 / 50	25 170.16	26 806.22	28 449.44	30 182.01
		Additional costs	Additional costs	Additional costs	Additional costs
	100 / 75	29 359.25	31 267.60	33 184.30	35 205.23
		Additional costs	Additional costs	Additional costs	Additional costs
	150 / 100	34 795.97	37 057.71	39 329.35	41 724.51
		Additional costs	Additional costs	Additional costs	Additional costs
	250 / 150	34 795.97	37 057.71	39 329.35	41 724.51
		Additional costs	Additional costs	Additional costs	Additional costs
	300 / 150	34 795.97	37 057.71	39 329.35	41 724.51
		Additional costs	Additional costs	Additional costs	Additional costs

Builders Water

These connections are temporary connections supplied for the purpose of providing construction water during the period when building activities are taking place. The cost of this connection will be 50% of the initial cost of a similar size connection for general use but in the case of larger meters, any additional cost required to install the meter will be payable in full. A deposit of R1060 (refundable on closure of account) is payable.

		PRESENT TARIFFS	PROPOSED TARIFFS 2015/07/01	PROPOSED TARIFFS 2016/07/01	PROPOSED TARIFFS 2017/07/01
1.12.2	Testing of Water Meters				
	Tariff per meter tested	971.67	1 034.82	1 098.26	1 165.14
1.12.3	Exposure of Services				
	Tariff per service exposure	482.96	514.35	545.88	579.12
1.12.4	Water (Normal tariff structure)				
	Schools, Sports fields and Parks	14.59	15.54	16.49	17.49
	Charities/Churches	14.59	15.54	16.49	17.49
	Business - Commercial	24.77	26.38	28.00	29.70
	Business - Industrial *	20.24	21.55	22.87	24.27
	Residential (0 - 6 Kl)	4.76	5.07	5.38	5.71
	Residential (7 - 20 Kl)	20.24	21.55	22.87	24.27
	Residential (21 - 40 Kl)	22.78	24.26	25.74	27.31
	Residential (41 - 60 Kl)	24.08	25.65	27.22	28.88
	Residential (more than 60 Kl)	25.74	27.41	29.09	30.86
	Flats (0 - 6 Kl)	4.76	5.07	5.38	5.71
	Flats (7 - 20 Kl) *	20.24	21.55	22.87	24.27
	Flats (21 - 40 Kl)	22.78	24.26	25.74	27.31
	Flats (more than 40 Kl)	25.74	27.41	29.09	30.86
	Builders Water	28.49	30.34	32.20	34.16
	Rural consumers: as above plus	4.00%	4.00%	4.00%	4.00%
	Purified effluent tariffs				
	For sale to De Beers:				
	From 1 July - 30 June per month	49 344.56	52 551.96	55 773.39	59 169.99
	Plus per Kl	0.139	0.148	0.157	0.167
	For sale to Municipality:				
	Approved Institutional Consumers / per Kl	1.61	1.71	1.82	1.93

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R

1.12.5 **DEFINITIONS FOR THE PURPOSE OF WATER CONSUMPTION CATEGORIZATION**

Residential
Any consumer located in a stand-alone house with associated ground surrounding the house.

Flat
Any consumer located in a dwelling grouped with other dwellings and not having grounds associated with that specific dwelling even when there is ground associated with the dwelling complex.

Charity/Church
Any consumer which carries out **bona fide** charity work and which is registered as a charitable non-profit organization will be classified as charity.

Any consumer where the property is used for the primary purpose of religious gatherings and where the property is situated on an Erf zoned as "Church".

Parks, Schools and Sports Fields
A Park is defined as a municipal park where vegetation is grown for the purpose of beautifying the City.

A School is a property where the primary activity is educational.

Sorts fields are organizations where the primary activity is the playing of sports requiring grassed surfaces and where the area of grassed surface exceeds 1000m².

Business : Industrial
Any consumer where the primary activity is manufacturing or processing and where water is either a component of the manufactured product or is used in the process for cleaning, cooling or similar purposes.

Business : Commercial
Any consumer where the primary activity is commercial or retail and the primary activity is not water-based cleaning.

Rural Consumers
Any consumer located outside the municipal boundaries.

Builders Water
Any water supplied through a builders connection.

1.13 **CLEANSING SERVICES (SERVICES & INFRASTRUCTURE)**

For the removal of refuse the tariff of charges shall be at the following rates:

1.13.1 All premises other than private dwelling houses:

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
(a) Payable by the owner - One regular removal of refuse not exceeding 0,8m³ per week per month		521.93	555.85	590.87	621.66
(b) Payable by the owner or occupier at the discretion of the Council for each additional removal of removal of 0,8m³ of refuse per week per month		521.93	555.85	590.87	621.66
c) where the owner or occupier provides containers for the removal of refuse by bulk which can be mechanically emptied in the Council's vehicle and of which the volume does not exceed 1,6m³ per one removal per week per month	*	521.93	555.85	590.87	621.66

Where more than one removal is necessary payment must be made monthly ia advance.

			PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	(d) Where the owner or occupier provides containers for the removal of refuse in bulk which can be loaded by the Council's mechanical handling vehicles and of which the volume does not exceed 6m³ per one removal per week the tariff for each removal shall be		1 959.15	2 086.49	2 217.94	2 333.50
	Where more than one removal is necessary payment must be made monthly in advance.					
	(e) Where the owner or occupier hires a 1,54m³ bulk container from the City Council - that hire shall be		318.12	338.80	360.15	378.91
	6,0m³ container hire		458.55	488.35	519.12	546.16
	(f) Where special garden refuse is removed the tariff per per m^2 applicable shall be		50.83	54.14	57.55	60.54
	(g) All premises pay the tariff of one regular refuse removal per week where the actual removal is undertaken by the business itself. The tariff shall be	*	521.93	555.85	590.87	621.66
	(h) Payable by the owner of a small business that generates one container or bag of refuse per week and that such concession only be implemented on receipt of a written application from such business		263.80	280.94	298.64	314.20
1.13.2	Private dwellings					
	Payable by the owner for one regular removal of refuse per week - the tariff shall be		88.64	94.40	100.35	105.58
1.13.3	Flats		44.32	47.20	50.18	52.79
1.13.4	A basic monthly charge - Residential		44.32	47.20	50.18	52.79
	(availability charge) - Business		263.80	280.94	298.64	314.20

1.14 **SANITATION TARIFFS (SERVICES & INFRASTRUCTURE)**

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.14.1	Sewerage				
	Private dwelling houses and premises (excluding flats, semi-detached dwellings, hotels, boarding and lodging houses and hostels):				
	Basic monthly charge (two sanitary convenience)	124.23	132.31	139.94	148.14
	Additional monthly charge (each additional connection, excluding private dwellings)	74.55	79.40	83.98	88.90
	Flats and semi-detached dwellings:				
	Basic monthly charge (first living unit)	124.23	132.31	139.94	148.14
	Additional monthly charge (each additional unit)	74.55	79.40	83.98	88.90
	Hotel, Boarding Houses, Lodging Houses and Hostels				
	Basic monthly charge (two sanitary conveniences)	124.23	132.31	139.94	148.14
	Additional monthly charge (each additional connection)	74.55	79.40	83.98	88.90
	A basic monthly charge (availability charge) in terms of Section 5 of the By-law to Sewerage and Sanitary charges (PN 140 dated 01/02/1974) as amended	109.11	116.20	122.91	130.11
1.14.2	Conservancy Tank and Night-soil Removals				
	Removal of slops from conservancy tanks by vacuum tanker:				
	A. Within 10km of CBD (Monday - Friday between 08:00 and 16:00)				
	Basic charge (first 5Kl)	206.50	219.93	232.62	246.25
	Additional charge (per 1Kl or part thereof)	34.08	36.30	38.39	40.64
	Vacuum tanker transport charge (per call)	170.40	181.48	191.95	203.20
	B. Within 10km of CBD (After hours, Monday - Friday & Saturdays)				

		PRESENT TARIFFS	PROPOSED TARIFFS 2015/07/01	PROPOSED TARIFFS 2016/07/01	PROPOSED TARIFFS 2017/07/01
		R	R	R	R
	Basic charge (first 5Kl)	323.33	344.35	364.22	385.56
	Additional charge (per 1Kl or part thereof)	55.38	58.98	62.38	66.04
	Vacuum tanker transport charge (per call)	238.56	254.07	268.73	284.47
	C. Within 10km of CBD (Sundays and Public Holidays)				
	Basic charge (first 5Kl)	425.36	453.01	479.15	507.23
	Additional charge (per 1Kl or part thereof)	66.03	70.32	74.38	78.74
	Vacuum tanker transport charge (per call)	335.48	357.28	377.90	400.04
	D. Further than 10km from CBD (Per km further) As above (A to C) plus km charge				
	Any tanker/km	38.50	41.00	43.37	45.91
	The number of calls made by the vacuum tanker each month will be governed by the capacity of the owner's conservancy tank.				
	A surcharge of 50% will be levied on the tariffs in the case of premises which can be connected to the sewerage system after the period allowed in terms of the connection notice has expired.				
	Removal of night-soil:				
	Basic monthly charge (two night-soil pails, five times per fortnight)	97.02	103.33	109.29	115.69
	Additional monthly charge (each additional pail removal, five times per fortnight)	53.25	56.71	59.98	63.50
	Occasional hire of bucket (per day per bucket)	26.63	28.36	29.99	31.75
	Removal of night-soil from building premises and contractor's sites (surcharge not applicable)				
	Basic monthly charge (one pail, three times a week)	669.19	712.69	753.81	797.99
	Basic monthly charge (one pail, six times a week)	992.47	1 056.98	1 117.97	1 183.49
1.14.3	Blockages and Portable Toilets				
	Internal sewer blockages:				
	Basic charge (Monday - Friday between 08:00 - 16:00)	410.03	436.68	461.87	488.94
	Basic charge after hours (Monday - Saturdays)	500.55	533.09	563.84	596.89
	Basic charge (Sundays and Public holidays)	745.50	793.96	839.77	888.98
	Service will only be provided to clients presenting a valid municipal account. Category B clients will be entitled to the percentage discounts to which they are entitled.				
	Portable Toilets:				
	Hire rate per day on site	186.38	198.49	209.94	222.24
	Transport charge (per vehicle)	399.38	425.33	449.88	476.24
	Sewer Connections:				
	Sewer connection (100mm)	2 316.38	2 466.94	2 609.28	2 762.19
	Sewer connection (150mm)	2 689.13	2 863.92	3 029.17	3 206.68
	Public convenience (Craven Street)				
	Shower plus usage of towel (per person)	10.65	11.34	12.00	12.70

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.15	**DISCOUNT EARLY PAYMENT**				
	A discount on the early payment of water, rates, sewerage and refuse services charges if the account is paid before or on the monthly deadline date. To be implemented from the first account run in July.	10%	10%	10%	10%
1.16	**ELECTRICITY (SERVICES & INFRASTRUCTURE)**				
1.16.1	**TARIFFS FOR SERVICE CONNECTIONS**				
	SCALE 4 - STREET LIGHTS				
	Cost of an additional street light	As per quote	As per quote	As per quote	As per quote
	Cost to move a street light	As per quote	As per quote	As per quote	As per quote
	Replacement of a damaged street light pole:				
	* 6m single cantilever	16 931.13	18 996.73	20 668.44	22 414.92
	* 9m single cantilever	26 909.45	30 192.40	32 849.33	35 625.10
	* 9m double cantilever	27 248.82	30 573.17	33 263.61	36 074.39
	* 12m single cantilever	28 885.90	32 409.98	35 262.06	38 241.71
	SINGLE PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED				
	Disconnection fee for an O/H supply system	1 853.73	2 079.88	2 262.91	2 454.13
	Disconnection fee for an U/G supply system	4 463.03	5 007.52	5 448.18	5 908.55
	Reconnection fee for an P/H supply system	1 883.61	2 113.41	2 299.39	2 493.69
	Reconnection fee for an U/G supply system	246.52	276.60	300.94	326.37
	3-PHASE DIS- & RECONNECTION FEE WHEREBY AN ELECTRICIAN IS INVOLVED				
	Disconnection fee for an O/H supply system	2 641.32	2 963.56	3 224.35	3 496.81
	Disconnection fee for an U/G supply system	4 599.63	5 160.79	5 614.94	6 089.40
	Reconnection fee for an O/H supply system	3 644.49	4 089.12	4 448.96	4 824.89
	Reconnection fee for an U/G supply system	4 599.63	5 160.79	5 614.94	6 089.40
	CALL OUT TO CONSUMER				
	Call out to a fault on consumer's installation	373.52	419.09	455.97	494.50
1.16.2	**COSTS OF NEW SERVICE CONNECTIONS**				
	60-AMP STANDARD SINGLE PHASE				
	Airdac connection from O/H supply system with prepayment meter & ready board	13 382.69	15 015.38	16 336.73	17 717.18
	Airdac connection from O/H supply system with prepayment meter only	11 749.87	13 183.36	14 343.49	15 555.52
	Cable connection from U/G supply system with prepayment meter	18 665.33	20 942.50	22 785.44	24 710.81
	Cable connection from U/G supply system with conventional meter	16 552.27	18 571.65	20 205.95	21 913.36
	60AMP STANDARD 3-PHASE				
	Airdac connection from O/H supply system with prepayment meter & ready board	16 280.14	18 266.31	19 873.75	21 553.08
	Airdac connection from P/H supply system with prepayment meter only	14 647.32	16 434.29	17 880.51	19 391.41
	Cable connection from U/G supply system with prepayment meter	20 266.13	22 738.60	24 739.59	26 830.09
	Cable connection from U/G supply system with conventional meter	24 252.12	27 210.88	29 605.44	32 107.10
	ALTERATIONS TO SERVICE CONNECTIONS				
	Alterations on existing single phase connection	As per quote	As per quote	As per quote	As per quote
	Alterations on existing 3-phase connection	As per quote	As per quote	As per quote	As per quote
1.16.3	**UPGRADING OF SERVICES**				
	UPGRADING OF AN EXISTING SINGLE PHASE SERVICE CONNECTION ON CONDITION OF				
	A service connection with a 10 x 2mm square service cable upgraded to max. 80-amp with curve 1MCB at	As per quote and	As per quote and	As per quote and	As per quote and

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
	consumer mains and curve 2MCB at supply authority mains	stipulated conditions	stipulated conditions	stipulated conditions	stipulated conditions
	A service connection with a 16 x 2mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains.	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions
	UPGRADING OF AN EXISTING 3-PHASE SERVICE CONNECTION ON CONDITION OF				
	A service connection with a 10 x 4mm square service cable upgraded to max. 80-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions
	A service connection with a 16 x 4mm square service cable upgraded to max. 100-amp with curve 1MCB at consumer mains and curve 2MCB at supply authority mains	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions	As per quote and stipulated conditions
	Supply above 100A (single & 3-phase)	As per quote	As per quote	As per quote	As per quote
	Replacement of conventional meter with prepayment meter (Meter only)	Bin price + VAT	Bin price + VAT	Bin price + VAT	Bin price + VAT
	Replacement of conventional meter with prepayment meter (Meter and labour)	6 509.92	7 304.13	7 946.89	8 618.41
	NB. MAXIMUM OF TWO PREPAYMENT METERS DOMESTIC ERF, EXCEPT WHEN 3-PHASE				
	CABLES AND VARIOUS				
	Installation of public address system	3 521.76	3 951.41	4 299.14	4 662.42
	Meter test	704.35	790.28	859.83	932.48
	Special meter reading	229.45	257.44	280.10	303.76

1.16.4 ELECTRICITY TARIFFS (POWER USERS)

(Subject to the approval of the NERSA)

NERSA guideline tariffs for municipalities necessitate the introduction and implementation of inclined block tariff for domestic users. This has had a major impact on all categories of electricity tariffs. In addtion to this, SPM sought to simplifiy and align it's "Large Power User" tariffs with Eskom's municipal billing structure. This required a revision of all commercial/business based tariffs.

For large power users a low and high demand season tariff was introduced.

A. The customer groupings are as follows:

- Domestic: Defined as houses, churches, schools, halls, old age homes, other charitable and non profitable organisations
- Small Power Users: Defined as all other consumers with a maximum demand less than 100kVA.
- Large Power Users: Defined as all consumers with a maximum demand greater than 100kVA.

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.16.4.1	**Domestic Tariff (Conventional and Prepaids)**				
	Block 1 (0 - 50 Kwh)	1.1924	1.3379	1.4556	1.5786
	Block 2 (51 - 350 Kwh)	1.6348	1.8342	1.9957	2.1643
	Block 3 (351 - 600 Kwh)	1.7687	1.9845	2.1591	2.3416
	Block 4 (> 600 Kwh)	1.8759	2.1048	2.2900	2.4835
1.16.4.2	**Business Tariff**				
1.16.4.2.1	Small Power Users (Conventional and prepaid meters)				
	Energy charge per Kwhr	1.9700	2.2103	2.4048	2.6081

		PRESENT TARIFFS R	PROPOSED TARIFFS 2015/07/01 R	PROPOSED TARIFFS 2016/07/01 R	PROPOSED TARIFFS 2017/07/01 R
1.16.4.2.2	**Large Power Users**				
	Basic charge per month	3 078.00	3 453.52	3 757.43	4 074.93
	Network Demand Charge R/kVA	116.96	131.23	142.78	154.84
	Network Access Charge R/kVA	39.40	44.21	48.10	52.16
	Energy Charges R/Kwh				
	Low Demand Season: (September - May)				
	Peak	1.6890	1.8951	2.0618	2.2360
	Standard	0.9006	1.0105	1.0994	1.1923
	Off-peak	0.7621	0.8551	0.9303	1.0089
	High Demand Season: (June - August)				
	Peak	3.5086	3.9366	4.2831	4.6450
	Standard	1.1970	1.3430	1.4612	1.5847
	Off-peak	0.8784	0.9856	1.0723	1.1629
1.16.4.3	**Street Lights**				
	Energy charge per Kwhr	1.1924	1.3379	1.4556	1.5786

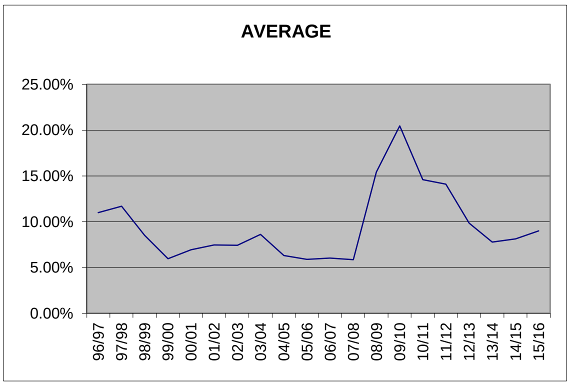
HISTORY OF TARIFFS

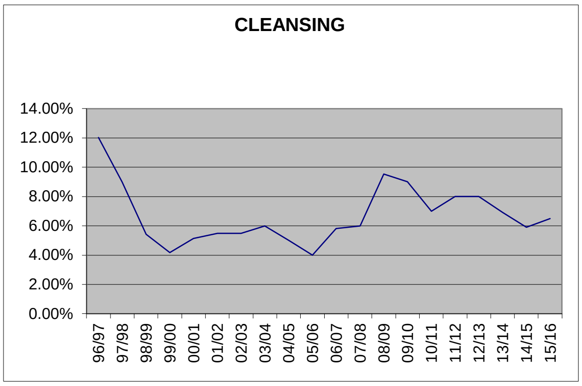
SOL PLAATJE MUNICIPALITY

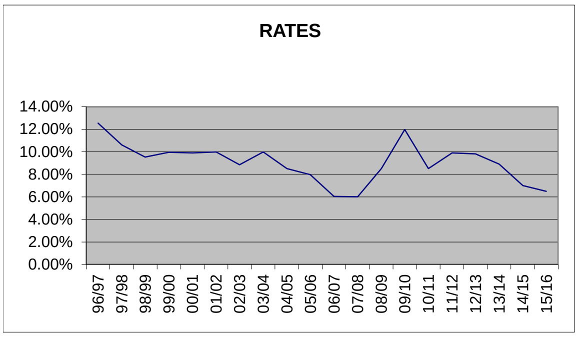
TARIFF HISTORY

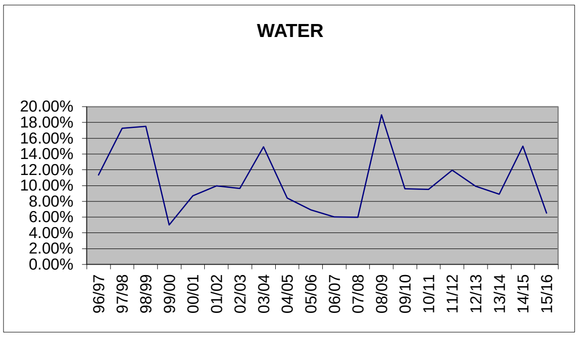
	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
RATES	12.53%	10.62%	9.53%	9.96%	9.91%	9.99%	8.85%	9.99%	8.50%	7.98%	6.03%	6.00%	8.50%	11.97%	8.50%	9.91%	9.80%	8.91%	6.99%	6.50%
SEWERAGE	9.96%	9.00%	5.36%	3.75%	5.46%	5.50%	5.50%	6.50%	4.00%	4.00%	5.61%	6.00%	7.54%	9.50%	7.00%	9.90%	9.90%	6.50%	6.50%	6.50%
CLEANSING	12.02%	9.00%	5.42%	4.18%	5.15%	5.50%	5.50%	6.00%	5.00%	4.00%	5.81%	6.00%	9.53%	9.00%	7.00%	8.00%	8.00%	6.90%	5.90%	6.50%
WATER	11.33%	17.26%	17.50%	5.00%	8.72%	9.97%	9.63%	14.92%	8.40%	6.90%	6.01%	6.00%	18.96%	9.60%	9.50%	11.95%	9.90%	8.90%	14.99%	6.50%
ELECTRICITY	9.18%	12.50%	4.98%	5.00%	4.99%	5.50%	5.51%	4.93%	4.00%	4.30%	5.78%	5.60%	32.60%	34.00%	22.22%	24.98%	9.99%	6.90%	6.72%	12.20%
AVERAGE	11.00%	11.68%	8.50%	5.97%	6.95%	7.46%	7.44%	8.61%	6.31%	5.88%	6.03%	5.84%	15.43%	20.46%	14.60%	14.09%	9.85%	7.79%	8.13%	9.00%

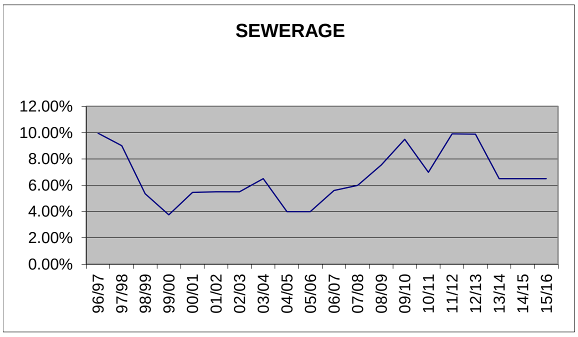
SOL PLAATJE MUNICIPALITY

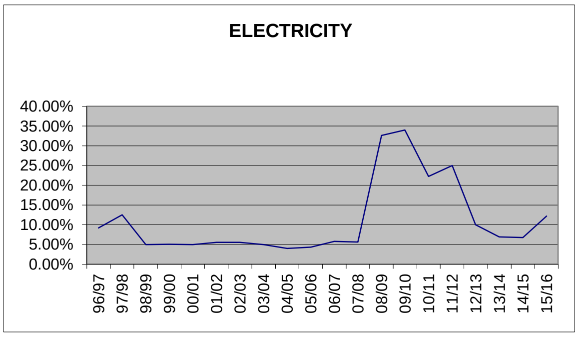












INTEGRATED DEVELOPMENT PLAN OVERVIEW

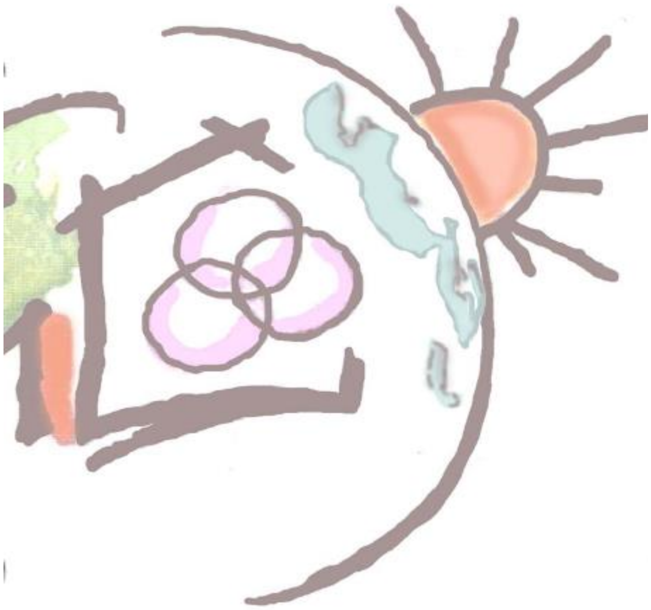
SOL PLAATJE MUNICIPALITY

Integrated Development Plan (IDP)

2013/14 – 2016/17

OVERVIEW IDP REVIEW 2014/15

March 2015



1. Introduction

IDP Review 2013/14

The Sol Plaatje Municipal (SPM) Council adopted its 5-year Integrated Development Plan for its term of office on 29 May 2012.

This is the 3rd review of the 2012/13 – 2016/17 IDP and is therefore not a "new" IDP. This reviewed IDP indicates the changes to the adopted IDP and the implementation of the Plan thus far – at mid-year 2014/15 as well as new information, both internal and external that will have an effect on the further implementation of the IDP. The IDP will also be reviewed in terms of the relevance of its strategic objectives in line with shifts in national and provincial policies and plans.

Driving Forces behind the Sol Plaatje IDP Review

Sol Plaatje did not develop its IDP in isolation. A range of National and Provincial policy documents informs IDP thinking and creates an important context for its own plans and strategies.

Achieving a developmental state is not the responsibility of government alone – let alone local municipalities. In the spirit of the National Planning Commission's "National Development Plan - Vision 2030", stronger social partnerships between government, organised labour, organised business and the community constituency are needed to address investment, employment and poverty challenges our country faces.

Government has developed a range of intervention approaches to support and guide action on growth and development. The most important of these documents in relation to local government are:

1. **The Local Government Turnaround Strategy (LGTAS)**
2. **The Outcomes Based Approach to Service Delivery**

   Of specific interest for Sol Plaatje is Outcome 8 and 9:

   - **Outcome 8 refers to "SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE"**

- **Outcome 9 refers to "A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM"**

3. **National Development Plan (NDP) – Vision 2030**
4. **Northern Cape Growth and Development Strategy**
5. **Francis Baard Growth and Development Strategy**

Key aspects of these National, Provincial and District plans underpinning SPM's Strategic Development Agenda (IDP Chapter 5) are highlighted in Chapter 2 of the IDP (pp14-33) and are not repeated here.

However, the National Development Plan (NDP) – Vision 2030 has been given greater emphasis as the point of departure for all spheres of Government in terms of planning and budgeting for next 20 to 30 years. The Plan includes integrated strategies for accelerating growth, eliminating poverty and reducing inequality. The NDP further emphasises lowering the cost of living for households and reducing the cost of doing business, especially for small and emerging enterprises.

In light of the above and for SPM to contribute towards the vision of the NDP it will, as a priority, embark on a process to develop a Growth and Development Strategy with a 30 year planning horizon.

The main objective of the GDS will be to address the following question:

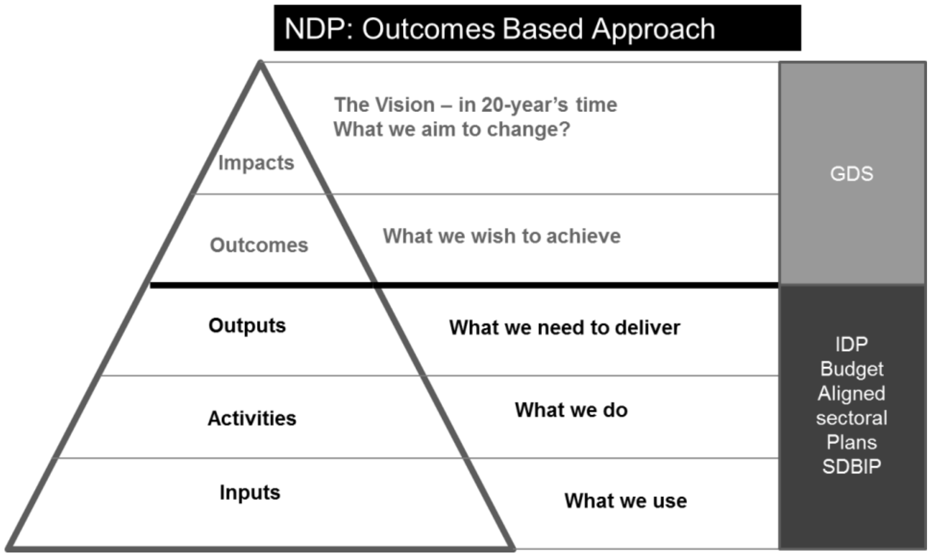
> ***"What will Sol Plaatje be able to offer a child born today in Galeshewe in 30 years' time? Can we be sure that such a child will have access to a dignified quality of life, be equipped with the right skills and have access to quality services and employment?"***

The truth is that we cannot answer this question today and we cannot presume that anything will be better in the future unless we act today!

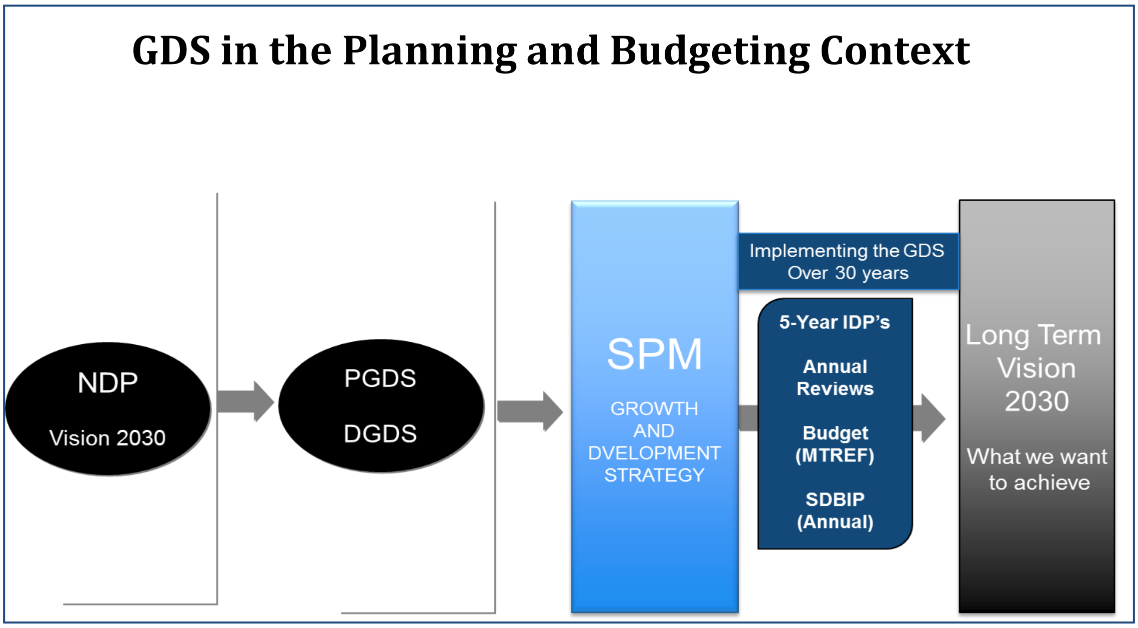
At present the long term planning framework of the Municipality is fragmented and to a large extent incoherent which complicates development decision making and management. A variety of plans, frameworks and policies exist, which in their own right is sound, but the integration and alignment of these plans, frameworks and policies are weak (see a list of these plans, frameworks and policies as well as their status in Section ,pp of this document).

Through the GDS process SPM will achieve proper alignment between the different spheres' of government's plans and policies as well as

sectorial and budget alignment. This is demonstrated in the illustration below:



At present their exist a "gap" in the planning hierarchy in the sense that from a long-term planning perspective on national, provincial and district level the SPM need to align its planning with these documents on a "medium-term" perspective instead of a long-term perspective such as the GDS. In the illustration below this "gap" is filled with the SPM GDS which will then feed into the 5-year IDP's.



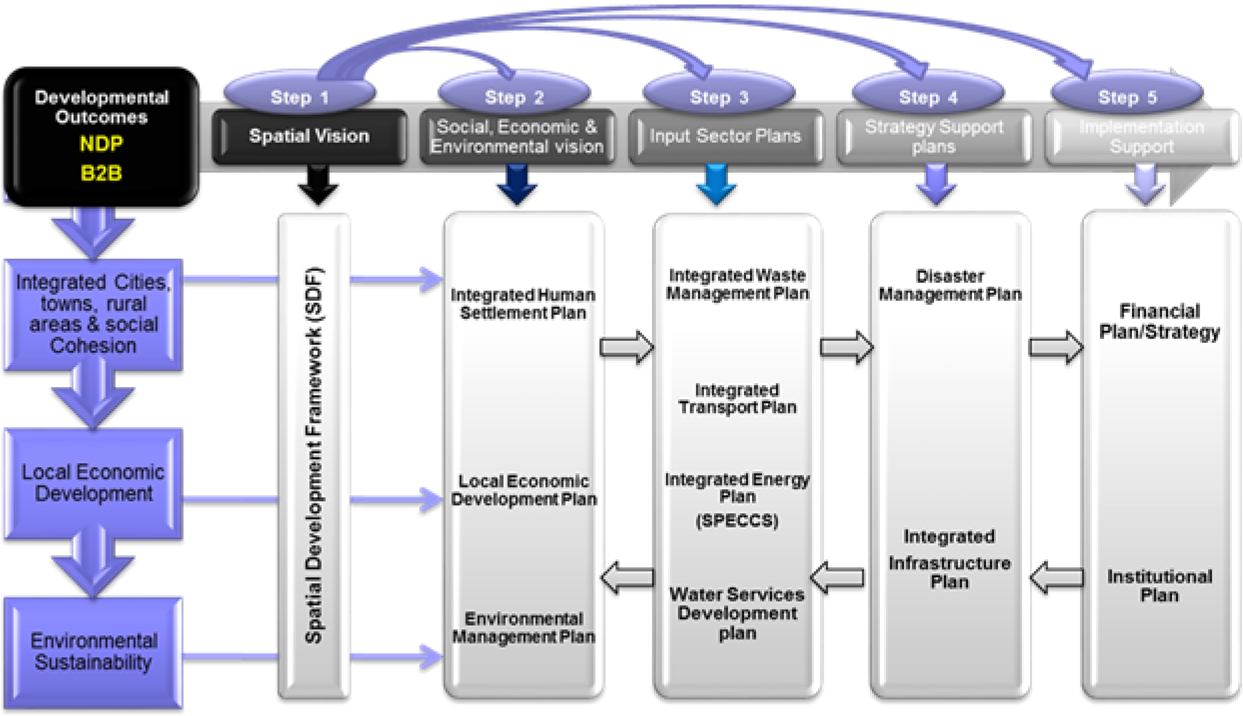
The illustration below indicates how this process will unfold to ensure:

1. Proper alignment to national provincial and district long-term plans and policies.
2. Alignment and linkage between all sectoral issues such as the space-economy (SDF and LED Strategy), municipal infrastructure investment (MIIF), municipal financial management and sustainability (financial plan) and municipal institutional development (institutional plan).
3. Transformation of the current development policy framework into one that is integrated, coherent, strategic and user friendly.
4. In-depth collaboration and consultation with all relevant stakeholders to ensure a common vision and understanding of the future growth and development path of SPM.
5. An implementation framework with key apex projects and activities linked to programmes and projects and main activities – with funding alternatives - that will be integrated with the municipal 5-year IDP and Budget cycles.

	MONTHS 1 - 6	MONTH 7 - 12	MONTHS 12 - 18	MONTHS 18 - 24
PHASE	PROJECT INITIATION **STATUS QUO ASSESSMENT**	**STRATEGIES & INSTITUTIONAL FOUNDATIONS** / **SECTORAL STRATEGIES**	**COMPREHENSIVE GDS**	**GDS IMPLEMENTATION PLAN**
	1. Space Economy 2. Infrastructure & Finance 3. Institutional Foundation	1. Space Economy 2. Infrastructure & Finance 3. Institutional Foundation	1. Space Economy 2. Infrastructure & Finance 3. Institutional Foundation	1. Space Economy 2. Infrastructure & Finance 3. Institutional Foundation
TASKS	**1: Project Initiation** **2: Status Quo Assessment** • economy social profile • planning policies, plans & guidelines • municipal infrastructure and services • State of municipal infrastructure and services • regional growth sectors • governance & administration • Municipal finances	**3: Key Strategies** • Prepare GDS Foundation Concept • Use range of strategic thinking tools to deepen analysis **4: Sector Strategies** 20–30 year : • Space Economy • Municipal Infrastructure Investment 5-10 year: • Municipal Institution Development • Municipal Finance	**5: Development of Comprehensive Growth and Development Strategy** Draft comprehensive growth and development strategy: • Collate key strategies into the GDS • Identify priorities	**6: Implementation Plan** • key (apex) projects and activities of the GDS • programmes, projects and main activities required to ensure rollout of the GDS • Integration Plan integration with imunicipal IDP cycle
CONSUL TATION		**WORKSHOP: ACTION & ENGAGEMENT** Senior Politicians & Officials FOCUS GROUPS FOCUS GROUPS **MEETINGS** Municipal Leaders & Managers	NATIONAL PROVINCIAL DISTRICT **CONSULT** Stakeholders PARASTATALS PUBLIC	
DELIVERABLES	• Finalised Contract/SLA • Establishment of project governance & management protocols • **Status Quo Assessment Report** • **Preliminary Intervention Report**	• **Key Strategies Report** • **Space–economic Strategy** • **Infrastructure Investment Framework** • **Institution Development Plan** • **Financial Strategy**	• **Comprehensive Growth and Development Strategy**	• **Implementation Plan in support of the Growth and Development Strategy**

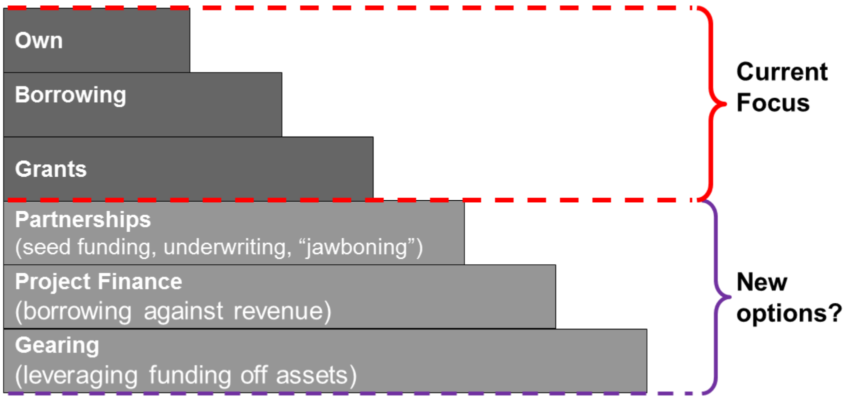
Importantly also is to ensure, through the GDS process, the sectoral alignment as mentioned above. At present SPM has a range of sectoral plans (see table below) which at this stage is to a large extend fragmented and incoherent which complicates planning, decision making and management.

Through the development of a Growth and Development Strategy SPM will also be in a position to transform the current policy framework (including the sector plans) into one that is integrated, coherent, strategic and user-friendly. A strategic user friendly document can be produced through the GDS process that integrates and references all municipal plans, strategies and programmes related to the SPM's long term integrated spatial-economic vision and goals. This will result in the "logic of sector plans". This is illustrated in the diagramme below – which follows a logic sequence.



By following the above process SPM will ensure that it structurally addresses all the issues related to what is envisaged in the NDP and B2B.

As part of the implementation framework of the GDS SPM also needs to explore new funding alternatives apart from the traditional sources of funding, as illustrated below in order to achieve its development goals.



The GDS process should commence in May 2014 and will inform the following IDP Reviews, or could even lead to the amendment of the existing IDP to ensure proper alignment.

The present review therefore still relies on the key priority issues identified in the 2012/13 – 2016/17 IDP adopted by the present Council in May 2012.

3. Municipal Profile: Background and Analysis

During the preparation of the IDP 2013/14 – 2016/17 IHS Global Insight was commissioned by the Sol Plaatje Local Municipality to compile and update an economic, socio-economic and demographic status quo of the municipality. This was a comprehensive and updated statistical overview of the Sol Plaatje Local Municipality and its place in the District, Provincial and National setting in order to ensure effective planning and decision-making. This is captured in the IDP 2013/14 – 2016/17 (Chapter 3).

Since then Census 2011 took place. The basic demographic figures have however been updated and are included in the tables below. The present economic indicators are however still relevant.

1. Person Statistics

Table 2: Population 2011 Census by Gender and Population Group compared to 2001 Census

	Black African		Coloured		Indian or Asian		White		Other		TOTAL	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
Male	**52 351**	73 273	30 525	33 048	780	1 608	12 662	8 913	0	3 370	**96 318**	**120 212**
Female	**57 364**	78 646	33 393	34 875	832	1 340	13 559	9 749	0	3 220	**105 148**	**127 830**
TOTAL	**109 715**	**151 919**	**63 918**	**67 923**	**1 612**	**2 948**	**26 221**	**18 662**	**0**	**6 590**	**201 466**	**248 042**

Sol Plaatje Municipality has a total population of 248,042 people living in its jurisdiction area according to the 2011 Census, growing at an average rate of 2,04% per annum since 2001 (growth rate in 2001 was - 0,65%). More than 61% (54% in 2001) of the population belongs to the African population group, 27% (32% in 2001) to the Coloured population group, 1% (1% in 2001) to the Indian population group, 8% (13% in 2001)to the White population group and 3% (0% in 2001) to other population groups. In 2011 there were approximately 60 299 households (50 529 in 2001) in Sol Plaatje Municipality, with an average household size of 3.9 (3,98 in 2001) people.

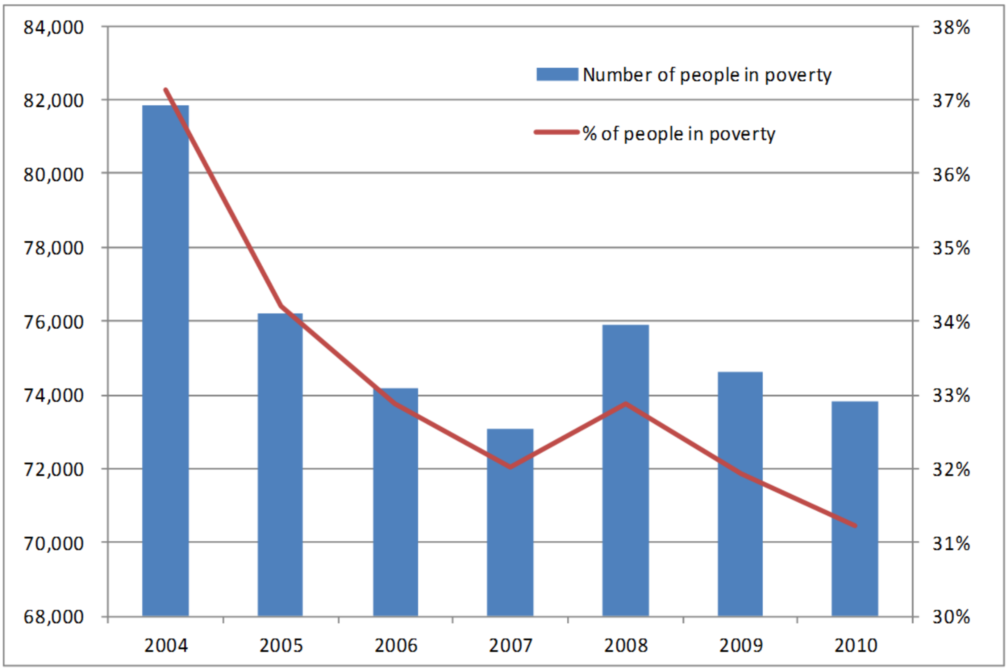
Table 3: Labour Market and Education Statistics 2011 compared to 2001

Labour market				Education (aged 20 +)					
Unemployment Rate (official)		Youth Unemployment Rate (official) 15-34 years		No Schooling		Matric		Higher Education	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
41,3%	**31,9%**	51,5%	**41,7%**	11,3%	**7,1%**	21,9%	**29,2%**	8,7%	**10,4%**

It is clear from Table 3 that SPM experienced a positive growth in employment and persons attaining a higher education which exceeded the population growth rate of 2,04%.

Linked to the unemployment rate the Chart below indicates the people living in poverty in the Sol Plaatje Municipality.

Number and percentage of people living in poverty, Sol Plaatje Local Municipality 2004 – 2010



According to the chart above the number of people living in poverty decreased dramatically to 31,2%. This is well below the national average of 39,9% as well as the provincial and district averages of 43,4% and 39,1% respectively. The NDP's target is to reduce the number of people living in poverty to 39% by 2030.

2. Household Statistics

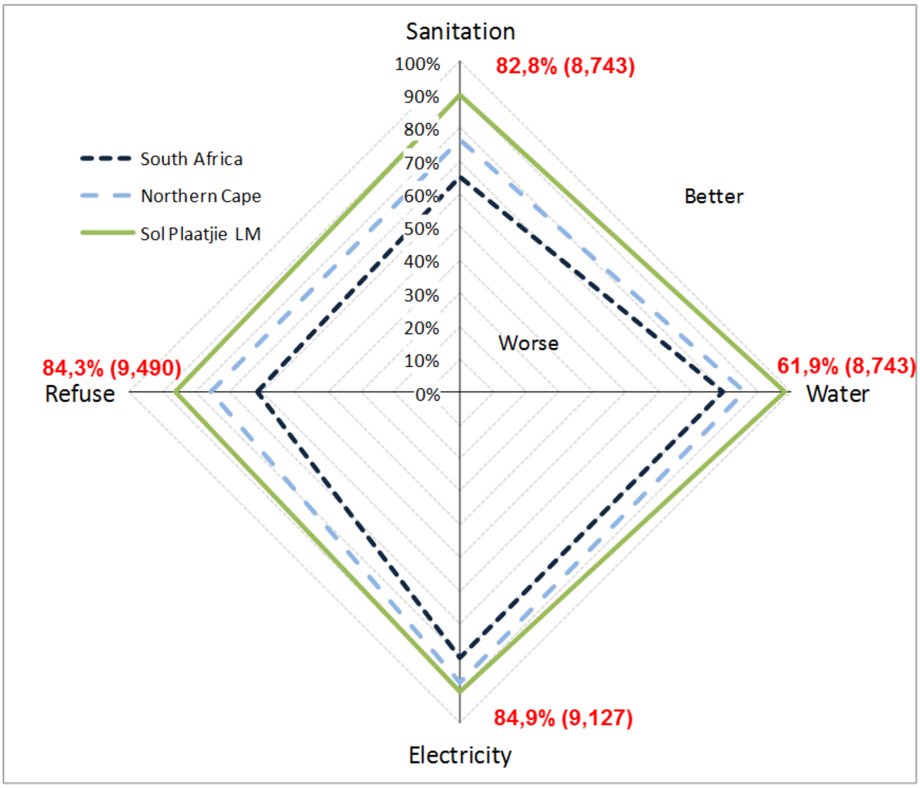
Table 4: Access to Household Services **(higher level)** 2011 compared to 2001

Level of Service	2001 %	2011 %
Piped water inside dwelling	51,2	61,9
Flush toilet connected to sewer	83,4	82,8
Electricity for lighting	82,4	84,9
Weekly refuse removal	90,8	84,3

SPM was able to provide more households with a higher standard of service in terms of water and electricity during the period 2001 to 2011 which was however not the case with sanitation and refuse removal. In the case of sanitation the main reason is that until 2009/10 SPM's bulk sewer treatment works ran out of capacity which led to a moratorium on development as new development – also housing development – could not be connected to the sewer network. The capacity problems have since been resolved and the moratorium has been lifted and enough capacity has been created for the next 20 years. Refuse removal also lagged behind mainly due to the increase of informal settlements – which is not accessible to deliver a waste removal service. This is still the case today.

The infrastructure diamond below depicts the four household infrastructure measures on a single diamond shaped chart. The larger the diamond, the better serviced the area is in terms of refuse removal, electricity, sanitation and water access. The dotted blue line shows the national average as a means of comparison, the light dotted blue line is the provincial comparison, whilst the green line shows the SPM's measure. The dotted blue line falls inside the green line indicating that SPM is performing better than the national and provincial average.

SPM Infrastructure Diamond: Basic Services: 2011



SPM does well in providing services to its communities the tables below indicate the backlogs and needs that still exist in terms of service delivery.

The table below indicate the number of informal settlements in SPM as well as the stage of development in each informal settlement. This information was provided through the research done by the service providers in the national Urban Support Programme of which SPM is a participant.

Description	No of Areas	H/H
Planning not commenced	9	5 172
Planning in process	11	2 167
Planning completed - await registration	5	1 526
Install services	2	996
Housing	1	3 500
TOTAL	**28**	**13 361**

Table 5 below indicates the present backlogs/need for basic household services according to Census 2011, the provision of services since the 2012/13 financial year as well as the planned provision for the current financial year 2014/15. It also include the growth of informal households since the 2011 Census and the survey done through the NUSP in 2014.

Service	Backlog Census 2011	Provision up to 30 Jun 2014	2014/15 Targets	TOTAL	Balance	PLUS Growth 2011 to 2013
New Houses (subsidised)	7 846	1 293	375	1 668	6 178	11 693
New Erven Planned and Surveyed	7 846	1 163	1 272	2 435	5 411	10 927
Houses connected to water	8 743	2 521	892	3 413	5 330	10 846
Houses connected to sanitation	9 343	3 552	892	4 444	4 899	10 415
Houses connected to electricity	9 127	2 335	214	2 549	6 578	12 094
Houses provided with waste removal	9 490	2 000	600	2 600	6 890	12 406
Roads Rehabilitation/Paving	297 km	25,7 km	2,5 km	31,7 km	265,3 km	-

3. Other Contextual Issues to Consider during this Review

It is crucial for SPM to have reliable information on its economic status and potential for effective planning.

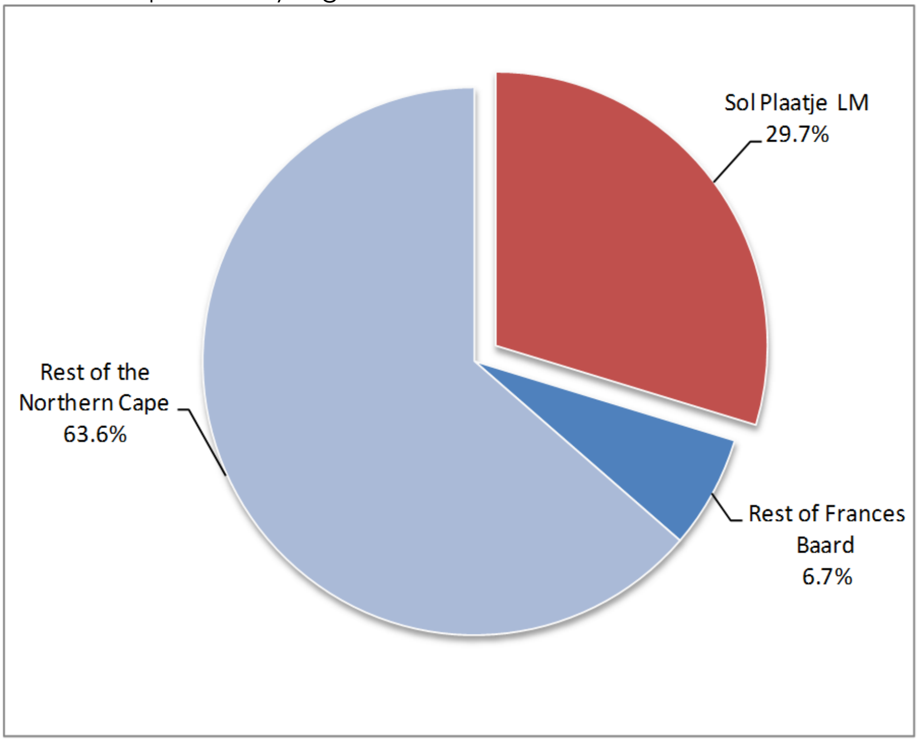
Information is needed that will empower the municipality to plan and implement policies and plans that will encourage the social development and economic growth of the people as well as business (informal and semi-formal) and industries in the municipality respectively. At present this information is not readily available this is one of the main reasons for embarking on the GDS process. Without growth in the economy the municipality cannot fulfill its constitutional mandate as the resources for providing its core functions will not be available.

However, from available information[1] the following contextual issues can be derived.

Sol Plaatje Municipality is a "small player" in the national economy but a "big player" in the provincial and regional economy. The graph below indicates the contribution of the SPM to the region and provincial GDP in 2010. Sol Plaatje contributed almost 30% to the total GDP of the Province. However in terms of the national economy, SPM contributed only 0,7% and the NC Province 2,4%.

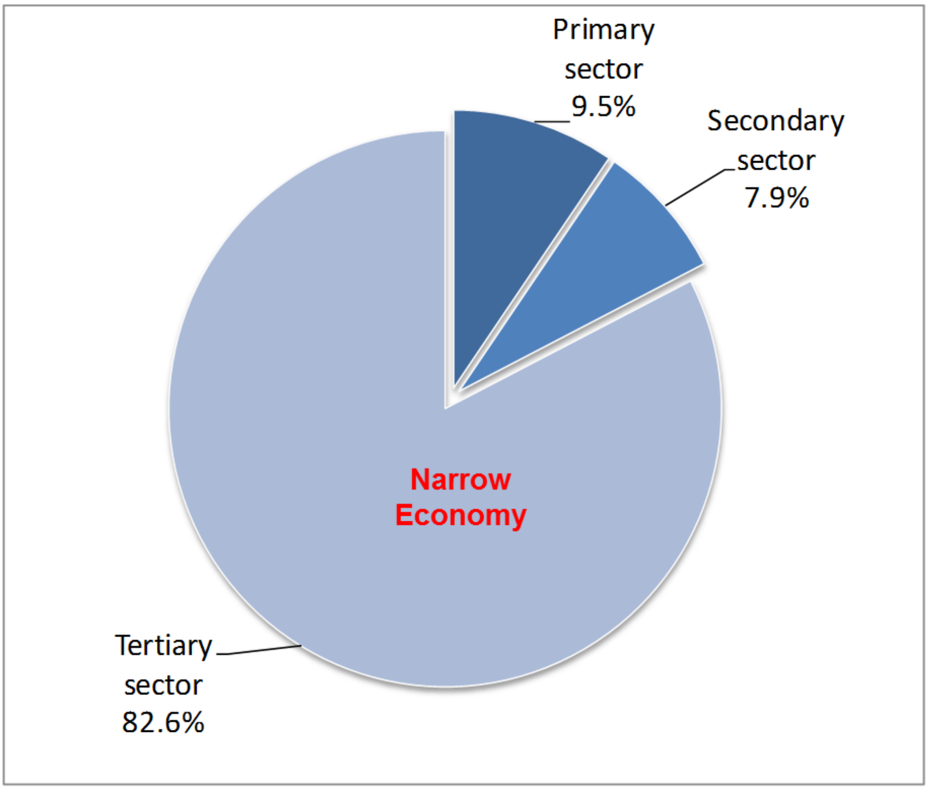
[1] SA STATS 2011 and IHS Global Insight

GDP - Composition by region, 2010



Furthermore, the graph below indicates that the Sol Plaatje municipality has a very narrow economic base as the tertiary sector is the largest economic sector, contributing more than 80% towards the GVA while the primary sector only contributes 9,7% and the secondary sector 7,9%.

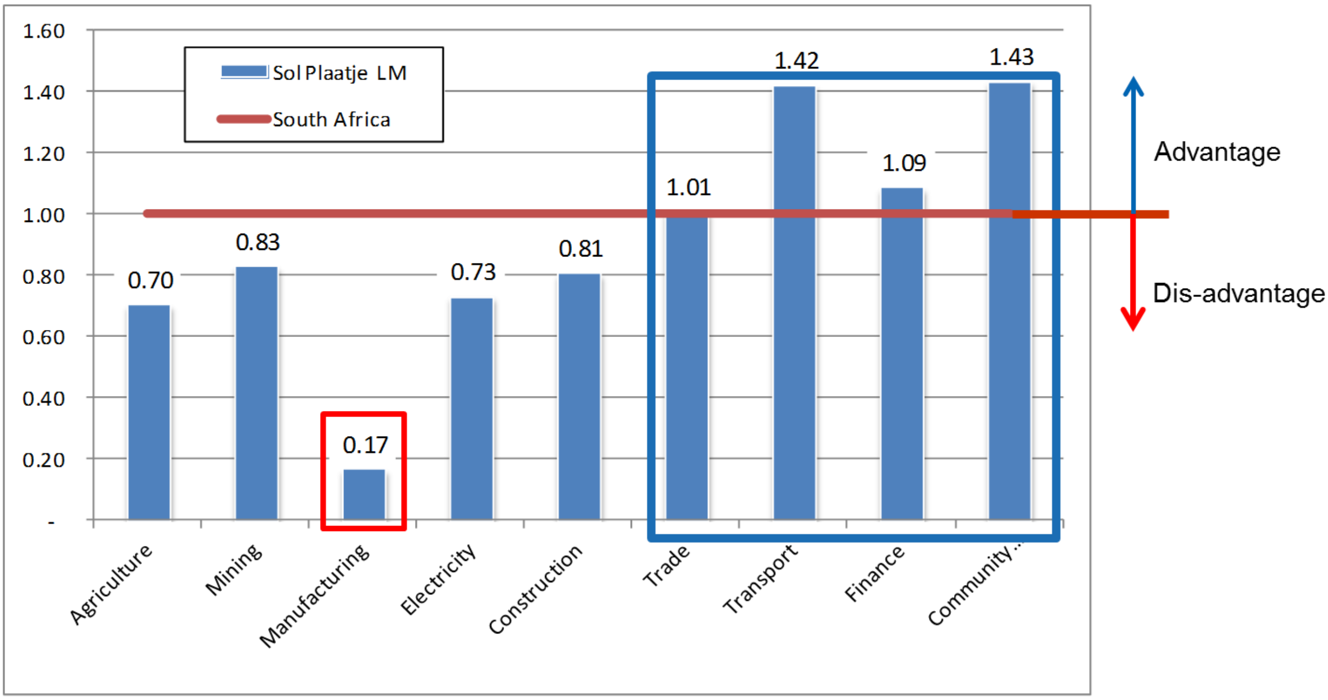
GVA – Sectoral composition, 2010



SPM therefore has a narrow economic structure and relies heavily on the tertiary sector which is consumptive and not productive and job creative. Should one then relate this to the education level of persons in the area where only 10% have post-matric and 90% matric or less with an unemployment rate of 33% which is mainly in the category of persons with matric or less a need exist for innovative ways to diversify the economy. The main job creating sectors are the primary and secondary sectors which employ the most unskilled workers.

The above is further demonstrated in the graph below which shows the SPM's comparative advantage by broad economic sector in comparison with the rest of South Africa. This clearly indicates the comparative advantage only in the tertiary sector.

Location Quotient by broad economic sectors for Sol Plaatje Local Municipality, 2010



Taking the above information into consideration SPM reviewed its key IDP priorities which are discussed in detail below.

4. Reviewing the Strategic Development Agenda

4.1 Shaping the Vision for Sol Plaatje

The existing strategic development agenda of SPM is aimed at giving effect to the vision of the Municipality, namely

SOL PLAATJE, A DYNAMIC AND CARING MUNICIPALITY THAT PROVIDES A COMPREHENSIVE RANGE OF AFFORDABLE SERVICES TO ALL ITS RESIDENTS

This vision is in line with the B2B which states that the people should be put first and that municipalities should concentrate their efforts in providing basic services such as water and sanitation, human settlements, electricity, waste management, roads and public transportation in order to create decent living conditions.

In order to achieve this vision it will be important for SPM to ensure growth in the local economy in order to be sustainable. The SPM also needs to improve on the efficiency of its service delivery, the sustainability of its finances and the effectiveness of its administration. This translates into two high level strategic objectives that also encompass all national government priorities, namely:

- *A better standard of living for all - which requires a growing economy depending on a municipal strategy driving urban efficiencies; and*
- *A better quality of life for all - which requires a caring municipality concerned at providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate.*

4.2 The Strategic IDP Objectives

The overarching strategy for development of the Sol Plaatje Municipality proposes looking at the IDP through the lens of the geographical "space-economy".

The "*space-economy*" means the geographic distribution of settlements (large and small), the activities within them (residential, commercial, institutional, recreational, and so on), and the

relationship of these settlements and activities to the infrastructure that connects and supports them, and links in turn to surrounding agriculture and nature areas.

People live their lives in geographic space; how activities and infrastructure are organised in space fundamentally impacts on people's access to economic and social opportunities.

For example, locating housing for the poor far away from work opportunities, impacts on disposable income, work productivity and transport infrastructure provision. People have to pay a disproportionately high percentage of their incomes to move to and from work, journeys take a long time, and infrastructure and vehicles have to be provided and maintained to transport them. Also, locating business opportunities far from infrastructure increases the cost of products and diminishes the chances of success for large and small businesses. An informal trader or small café owner cannot hope to succeed without basic necessities such as water or a reasonable flow of passers-by.

The Apartheid spatial legacy is the foundation for much of the inequity in society. A primary strategy of Apartheid was to manipulate the space-economy of towns, to provide good opportunities for whites and the rich and to deny opportunities for blacks and the poor. The best land and most viable locations, the best infrastructure and networks, have traditionally been offered to the minority of citizens. Only through restructuring the space-economy of our settlements can we hope to overcome our divided legacy.

Secondly, municipal strategy has over the last decade taken a strong "sectoral" approach. The approach looks at development in sectors such as Local Economic Development Plans, plans for 'creative industries', small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. For example, very few, if any, Local Economic Development Plans will look at the relationship between transport infrastructure, economic opportunity and job creation.

Thirdly, municipal government has considerable influence over the space economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

The IDP Objectives are still relevant but need some emphasis shifts due, mainly to the following issues:

1. The greater emphasis placed on the alignment of all government spheres to the National Development Plan – Vision 2030.
2. The Back to Basics Programme
3. The access of households to municipal services according to the latest National Urban Support Programme data on informal areas – which indicate huge backlogs in terms of basic household services. This is discussed in more detail later in the report.

4.3 Emphasis Shift in Attaining the IDP Objectives

For SPM to achieve its Strategic Development Agenda aligned to the NDP and B2B, priority should be given to the following key strategic priority issues which must inform the Municipality's resource allocation and activities for the 2015/16 MTREF:

1. An Infrastructure led growth path in the local economy to ensure sustainable development

SPM must continue and extent its bulk infrastructure development programme through a Municipal Infrastructure Investment Framework (MIIF). During this process special attention should be given to fully implement the recommendations of the Non-revenue Water Minimization Report's recommendation to address the excessive water losses and ensure and un-interrupted supply of water to all consumers. SPM should further investigate the feasibility of the Vaal River as the main source of water due to the excessive pollution of the river which will contribute towards the cost of water as the technology to purify the water is not optimal at present – and the situation can worsen in the future. Alternative sources should be explored such as the Orange River and/or recycled water.

Road rehabilitation and development is still a priority. SPM should, however, focus more on applying preventative maintenance to roads such as resurfacing and crack sealing. These methods have proven to be more effective than patching as they would increase the lifespan of roads and thereby cutting future maintenance costs, enabling SPM to rather focus on the construction of new roads. Pothole patching is not an effective maintenance practice since it is reactive maintenance and does not contribute towards the structural enhancement of the pavement. The SPM has spent in excess of R35 m of its own funding for a resealing programme which

commenced in March 2014. Options are presently being explored to source additional funding to continue with this programme.

Apart from its infrastructure initiatives SPM should also build on its present partnership arrangements in moving towards a Green Economy. In this regard the energy saving programmes funded by the Eskom Demand Side Grant must be enhanced with the work presently being done on Climate Change through the SPM's Sustainable Energy and Climate Change Unit (SECCU). This becomes especially important with the electricity generating capacity crisis prevalent at present nationally. The conservation of energy has become a prominent focus in South Africa – which is also highlighted in the NDP development goals.

SPM should also make the most of the opportunities offered by the establishment and development of the Northern Cape University. The present inner city revival programme should continue, supporting the development of the inner city component of the University, in order to use it as a catalyst for private sector development. This should be augmented by well-defined and sustainable incentives for economic investment and to reduce "red tape" in development applications to ensure an enabling environment for economic development.

2. Concentrate on the Municipality's core functions, namely to improve the efficiency of its service delivery to households who need it most

The Municipality has gone a long way in upgrading its bulk infrastructure to enable growth. It now has to prioritise the reticulation of services to business and households. In this process it is important to take cognisance of the spatial development taking place – both in terms of commercial development and residential development to ensure that the reticulation of services is aligned to the 'space-economic' development of the City.

SPM must as a priority, and in line with the "logic of sector plans", complete its 5-year integrated and costed housing and service delivery plan to address the backlogs in household services in order to access the necessary funding for the different services from all available sources.

The Table (which is replicated from section above) indicates the status of the backlog and provision of household services in SPM.

Service	Backlog Census 2011	Provision up to 30 Jun 2014	2014/15 Targets	TOTAL	Balance	PLUS Growth 2011 to 2013
New Houses (subsidised)	7 846	1 293	375	1 668	6 178	11 693
New Erven Planned and Surveyed	7 846	1 163	1 272	2 435	5 411	10 927
Houses connected to water	8 743	2 521	892	3 413	5 330	10 846
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Houses provided with waste removal	9 490	2 000	600	2 600	6 890	12 406
Roads Rehabilitation/Paving	297 km	25,7 km	2,5 km	31,7 km	265,3 km	-

As is clear from the table above the SPM has a backlog in excess of 10,000 households in terms of services to households in spite of accelerated service provision, especially in the last 2 financial years. These backlogs are mainly within the informal settlements – although some backlogs occur within the formal areas but are miniscule in comparison with the informal areas.

In light of the above information SPM should prioritise its 5-year integrated and costed upgrading of informal areas, housing and service delivery plan, which should also include a strategy to address the notion of households to settle in informal areas. This will put SPM in a position to submit business plans in time for funding from national and provincial grants to address the above backlogs.

At present the SPM has prioritised the upgrading of informal settlements to ensure security of tenure to beneficiaries in the short term. During the present financial year 1,272 new erven will be created in informal settlements which could then be serviced in subsequent years. The "gap" housing as well as middle to high income housing opportunities are also be addressed at present and will be enhanced during the 2015/16 MTREF period.

Sol Plaatje Municipality is part of the National Urban Support Programme of the National Department of Human Settlements to assess and categorise informal settlements, a process that informs the development approach and other processes going forward.

The Integrated Human Settlements Plan is undergoing review and will be aligned with the IDP Review process. It is also important to ensure that a Social Housing Policy and a Housing Allocation Policy be developed.
A Customer Care Strategy and Plan will be prepared as a matter of urgency. An integrated Service Call Centre has been established which will ensure that the turn-around time for service requests/complaints will be reduced.

A fully fletched service centre has also been established in Ritchie to serve especially indigent customers without own transport and to enhance service delivery in this settlement. Existing decentralised pay points will be upgraded to serve communities more effectively.

As part of its strategy to concentrate its efforts on its core functions SPM will develop a strategy for the municipal owned resorts to turn these resorts around from being a liability to becoming an asset. The process to "provincialise" its personal health services is also in an advanced stage.
SPM will also prioritise the development and implementation of Ward (B2B priority) and Precinct Plans and attend to disaster management issues in line with the Disaster Management Plan – especially related to flooding which affects the poor communities most. These processes will happen in line with the "logic of sector plans" as discussed above.

3. Ensure financial sustainability

In order for SPM to attain financial sustainability it will be important for it to enhance multi-year planning and budgeting – both operational and capital planning and budgeting. In this process it should adopt a strict zero-budgeting approach.

In lieu of its present positive financial position SPM must contribute more of its own financial resources to capital investment to achieve better service delivery and infrastructure refurbishment, replacement and development to ensure sustainable growth in the municipal area.

Special attention will also be given to the following aspects:

- Increase revenue enhancement
- Affordability of household account
- Increase own capital
- Enhance multi-year budgeting
- Move towards zero budgeting - especially for trading services

Mid-year budget risks identified by the municipality:

- Billing to the targeted levels
- Collection rate
- New organogram and funding
- Growth in demand for rates funded services (roads, planning and surveying)
- Prioritisation (what to fund first)
- Reducing grants
- Growth and development issues
- Economic issues

Due to the present economic climate it becomes very difficult for consumers to afford their monthly municipal accounts. SPM needs to look at innovative ways to make these household accounts more affordable. SPM is also in the process to put measures in place to ensure revenue enhancement**.**

4. Improve the effectiveness of the Administration

The Mission of SPM, namely: To be a sustainable and efficient municipality, and the Values, namely: customer focus, integrity, transparency, openness and development orientation provides the backdrop for an approach to Human Resource's contribution to the achievement of municipal strategic objectives in the medium to long term.

The proposed SPM HR Strategy aims to align its Human Resources with the Municipal requirements by acquiring, developing and retaining the right staff with competencies that support SPMs IDP objectives and creating a Human Resource framework that promotes efficiency and productivity.

The current SPM organisational model still has a number of challenges that need to be addressed specifically in terms of the need to enhance the effectiveness of the administration. The following pointers pertaining to human resources should be considered as a basis for changing the SPM trajectory. In particular, key changes required in the management of Human Resources at SPM include:

- The most critical HR deliverable must be a revised and consolidated organisation and staff establishment that reconciles with the payroll (without this proper HR management is not possible).
- The second most critical HR deliverable is a properly structured skills development plan, clearly indicating where the most critical skills gaps are and how they will be addressed.

- Following closely on this, a Succession Management Plan needs to be put in place (specifically taking the age profile of key staff and managers into account).
- Another critical HR deliverable is a culture change programme to reinvigorate the organisation, establish a new code of conduct at all levels and positively enhance the profile of the municipality.

It is therefore critical to complete the work on the HR Strategy as well as the revised Organogramme.

The present Performance Management System (PMS) must be fully institutionalised to all levels of staff and a Reward and Recognition Policy must be completed to ensure proper buy-in into the PMS. A process to prepare Standard Operational Procedures for all functions should also be prioritised.

It is also important to enhance the project management skills and processes in the administration to ensure the delivery of capital projects on time, within budget and according to set qualities. In this process the Project Management Unit should play a central role.

The table below indicates the IDP Objectives within each of the National Key Performance Area.

National KPA	IDP Objective
1. Local Economic Development	1.1. To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks 1.2. To initiate, lead and sustain an investment environment for job creation in the SPM Area 1.3. To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth
2. Basic and Sustainable Service Delivery and Infrastructure Development	2.1 To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth 2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets 2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM 2.4 To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM
3. Municipal Financial Viability and Management	3.1 Ensure sound financial management and financial sustainability of SPM
4. Municipal Institutional Development and Transformation	4.1 To provide an overarching framework for sustainable municipal performance improvement 4.2 To provide a framework for Municipal Transformation and Institutional Development
5. Good Governance and Public Participation	5.1 To ensure an improved audit opinion in line with the LGTAS 5.2 To enhance the Public Profile, Reputation and Positioning of SPM

5. Action Agenda: From Strategic Objectives to an Action Plan

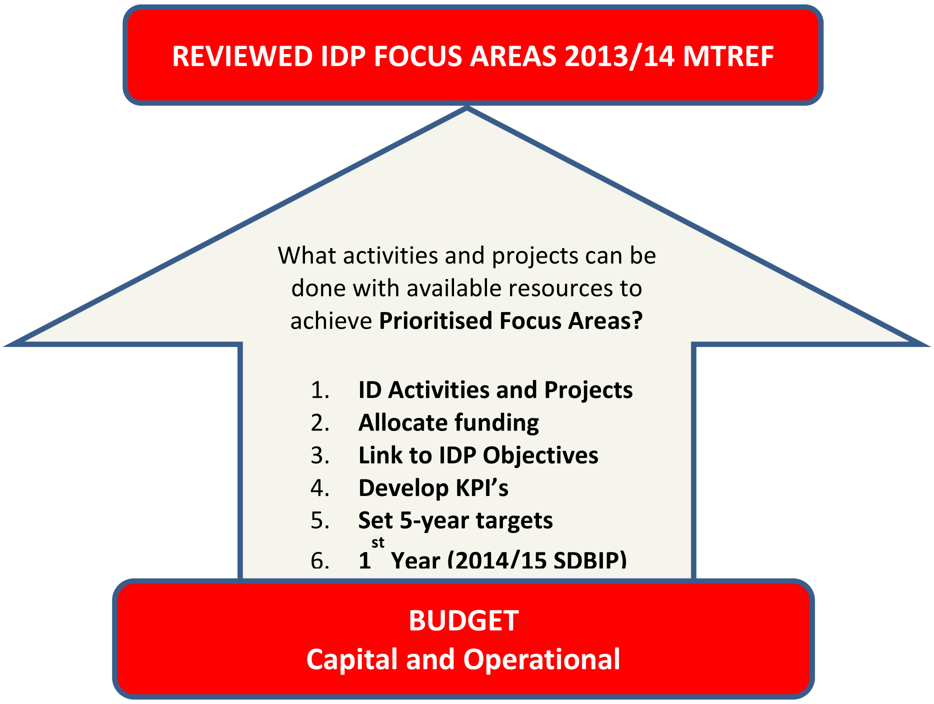
SPM needs to operationalise the above Strategic Development Agenda. This is achieved by prioritising the IDP Objectives and the activities to achieve them as outlined above and to ensure that the resource allocation of the Municipality over the remaining period of this IDP cycle addresses these priorities. It is also important that it must be possible to monitor and measure whether this is in fact happening. This will only be possible if Key Performance Indicators and Targets are developed for the IDP Objectives

The prioritisation of the 5-year action plan, however, does not start from a zero-base. The current schedule of programmes, projects and activities contained in the SPM's Budget, and especially the capital programme consists of a mixture of roll-over committed projects, multi-year grant funded projects, counter commitments, and operational expenditure requirements.

The key challenge with the current schedule is the need to allow some reprioritisation without disrupting the momentum in delivering these programmes and projects. This was done to a large extent during the Adjustments Budget at the end of February 2015 which should be the starting point for prioritising the 2015/16 MTREF action plan.

6. Implementing the IDP and Budget through the Service Delivery and Budget Implementation Plan (SDBIP)

Projects and activities have been identified to address the key focus areas discussed above and have been resourced with the available financial resources from own confirmed funding and gazetted funding from National and Provincial Government. This process is diagrammatically indicated below:



The operational resources are contained in the Operational Budget of the 2015/16 MTREF. Some of the line items in the Operational Budget need to address the IDP priorities indicated above – especially in light of the B2B programme as not all priorities relate to the capital programme.

The B2B programme approach is designed to ensure that all municipalities perform their basic responsibilities and functions without compromise. The programme is built on 5 pillars:

- Putting people and their concerns first;
- Demonstrating good governance and administration;
- Delivery municipal services;
- Sound financial management and accounting; and
- Sound institutional and administrative capabilities.

The Back to Basics approach has institutionalised a performance management system that will recognise and reward good performance and ensure sufficient consequences and appropriate support for under performance. The approach will integrate information on all municipalities and ensure that the current challenges in the local government sphere, in the short and medium term specifically, are addressed. Attached as Annexure 1 is the Template according to which SPM needs to report on a quarterly basis to COGTA. As can be seen from this template most of the issues are operational activities.

The 5-Year Capital Plan contained in the IDP 2012/13 – 2016/17 has been included considering the projects adopted for the 2015/16 financial year according to the funding available at that time (Gazetted amounts) when the IDP and Budget were adopted in May 2014.

The present funding sources and the outer 2 years as gazetted is contained in the Table below.

Funding	Original 2014/15	Adjusted 2014/15	2015/16	2016/17	2017/18
	R'000	R'000	R'000	R'000	R'000
CRR	42 255	119 816	47 433	38 383	20 903
Borrowing					
MIG	45 677	45 677	46 626	48 393	51 097
DHLG (GURP)	5 250	5 250	–	–	–
R BIG	25 000	30 000	5 550	–	–
NDPG (Capital Grant)	5 000	–	5 000	10 000	10 000
EDSM	–	–	–	–	–
INEP (Eskom) Grant	–	–	–	–	–
INEP(Municipal) Grant	3 000	3 000	7 100	4 844	2 646
ACIP	5 000	5 000	–	–	–
Coghsta	–	36 483	–	–	–
FBDM	–	5 000	–	–	–
TOTAL	**131 183**	**250 226**	**111 709**	**101 620**	**84 646**

6.1 Monitoring the Implementation of the IDP and Budget

The IDP's Multi-year Municipal Performance Plan need to be finalised after completing the above processes, namely to complete both the operational budget and capital budget.

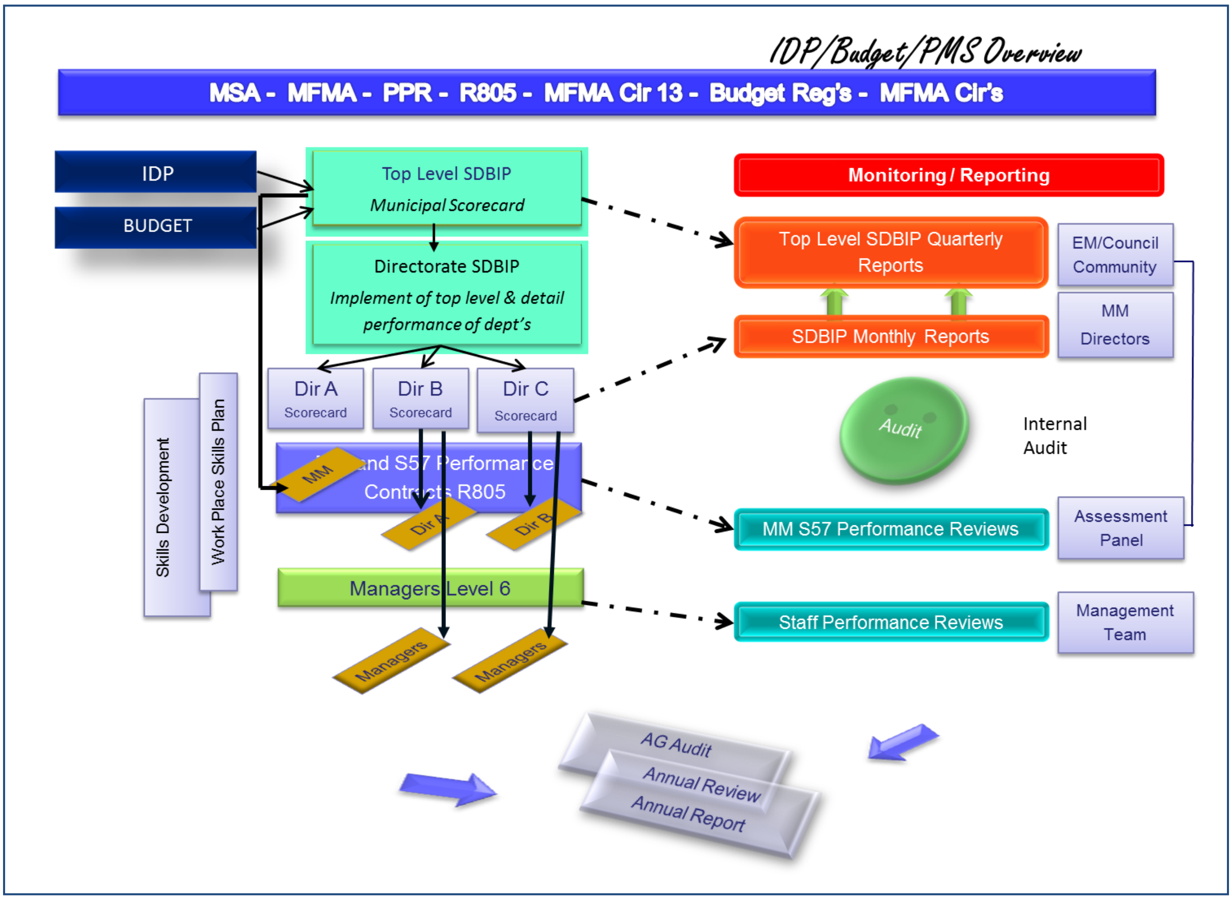
Finally the SPM's SDBIP for 2015/16 need to be prepared and submitted to the Executive Mayor. The SDBIP gives effect to the implementation of the IDP and Budget of the Municipality. The IDP Objectives, Key Performance Indicators and Targets aligned to the Budget within each Key Performance Area in the Multi-year Municipal Performance Plan informs the SDBIP for the 2015/16 financial year and breaks it up into quarterly targets.

The "top layer" SDBIP is used as a framework for the Organisational Performance Management System. The implementation of the IDP and Budget is monitored, evaluated, reported and measured through the integrated Performance Management System (PMS) to ensure that the resources available to the Municipality are directed at the delivery of

prioritised projects, programmes and operations that meet the agreed IDP Objectives. Monitoring, evaluating, measuring and reporting performance will also assist the Municipality:

- To make immediate and appropriate changes in the prioritized delivery process and to adjust resources accordingly;
- Identify and overcome major or systemic blockages in the delivery process and
- Guide future planning on development objectives and resource use.

The PMS process from planning through in-year monitoring and reporting up to the Annual Report is structured as per the Diagramme below:



SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

We Serve

SOL PLAATJE MUNICIPALITY

SDBIP

2015/16

DRAFT

Service Delivery & Budget Implementation Plan



March 2015

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Annexures

1. INTRODUCTION

1.1 Legislative Framework

The Municipal Finance Management Act (MFMA) No. 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as an implementation and management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan.

Section 1 of the Municipal Finance Management Act (MFMA) No. 56 of 2003 defines the "service delivery and budget implementation plan" as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget and which must include the following:-

a) Projections of each month of-
   (i) revenue to be collected, by source; and
   (ii) operational and capital expenditure, by vote;
b) Service delivery targets and performance indicators for each quarter; and
c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c).

In terms of Section 53 (i)(c)(ii) of the MFMA, the SDBIP must be approved by the Mayor of a municipality within 28 days of the approval of the budget.

MFMA Circular 13 further addresses the minimum requirements of the SDBIP in detail.

1.2 Overview

The Sol Plaatje Municipality has prepared its 2015/16 SDBIP in line with the above. The SDBIP will serve as a "contract" between the administration, council and the community to deliver on the services outlined in the SDBIP and to manage the finances of the Municipality in a transparent and accountable manner. Not only will the SDBIP serve as an appropriate monitoring tool in the execution of the Municipality's budget to achieve key strategic priorities as set by the Integrated Development Plan (IDP), but will also serve as an essential part of the annual performance contracts for the Municipal Manager and Managers reporting directly to the Municipal Manager and provide a foundation for the overall annual and quarterly organisational performance for the 2015/16 financial year.

The SDBIP includes the following indicators:

- The revenue and expenditure projections per Vote per month.
- Revenue projections by source.
- Capital projects at a ward level and monthly capital cash flow.
- Quarterly consolidated service delivery targets and performance indicators per Municipal KPA and IDP Objective.

The SDBIP will therefore also empower the Executive Mayor, Council and other role-players to undertake their appropriate oversight and monitoring roles. The SDBIP will

also afford the Executive Mayor (Mayoral Committee), Council Committees and the Municipal Manager the ability to measure in-year progress on the implementation of the IDP Objectives and the Budget.

1.3 Components of the SDBIP

The SDBIP is a layered plan and starts with a Multi-year Performance Plan as part of the IDP which is directly linked to the IDP Objectives. The 2015/16 SDBIP will be informed by the Multi-year Municipal Performance Plan which serves as the "top layer" of the SDBIP and contains the consolidated service delivery targets and in-year deadlines. This is illustrated by the diagramme below:

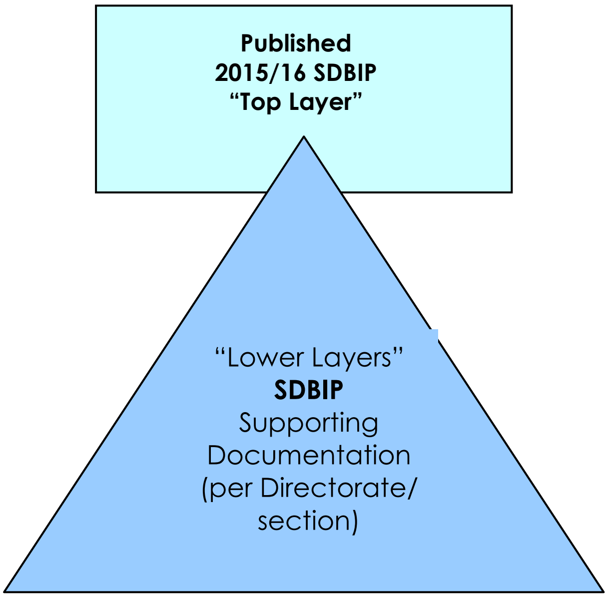


Figure 1: SDBIP Components

Once the "top layer" SDBIP is set, senior management will develop the "lower layers" of detail supporting the SDBIP. These are the actual activities linked to resources (financial, equipment and human) to actually achieve the consolidated service delivery targets within the approved budget amounts on time.

The detail of the departmental SDBIP's will be used by senior managers to hold middle level and lower level managers accountable to contribute to the municipal targets.

The following components forms part of the "top layer" SDBIP:

- **Monthly Projections of Revenue to be collected by Source**
  One of the most important and basic priorities for any municipality is to collect all its revenue as budgeted for – the failure to collect all such revenue will undermine the ability of the municipality to deliver on services.

  While these projections would be most useful as cash flow projections, it is also critical to understand the relationship between revenue billed and the amount actually collected in the context of tariff, credit control and indigent policies and any other relevant policies. Comprehensive, coherent revenue

policies that take into account appropriate service delivery levels, standards, ability to pay and collection efforts will ensure realistic revenue projections.

Projections for revenue by source should also include performance measures in relation to collection rates (amounts collected/amounts billed) to enable monitoring of the effectiveness of credit control policies and procedures.

- **Monthly Projections of Expenditure and Revenue for each Vote**
  These projections relate to cash paid and should reconcile to the cash flow statement adopted as part of the budget documentation.

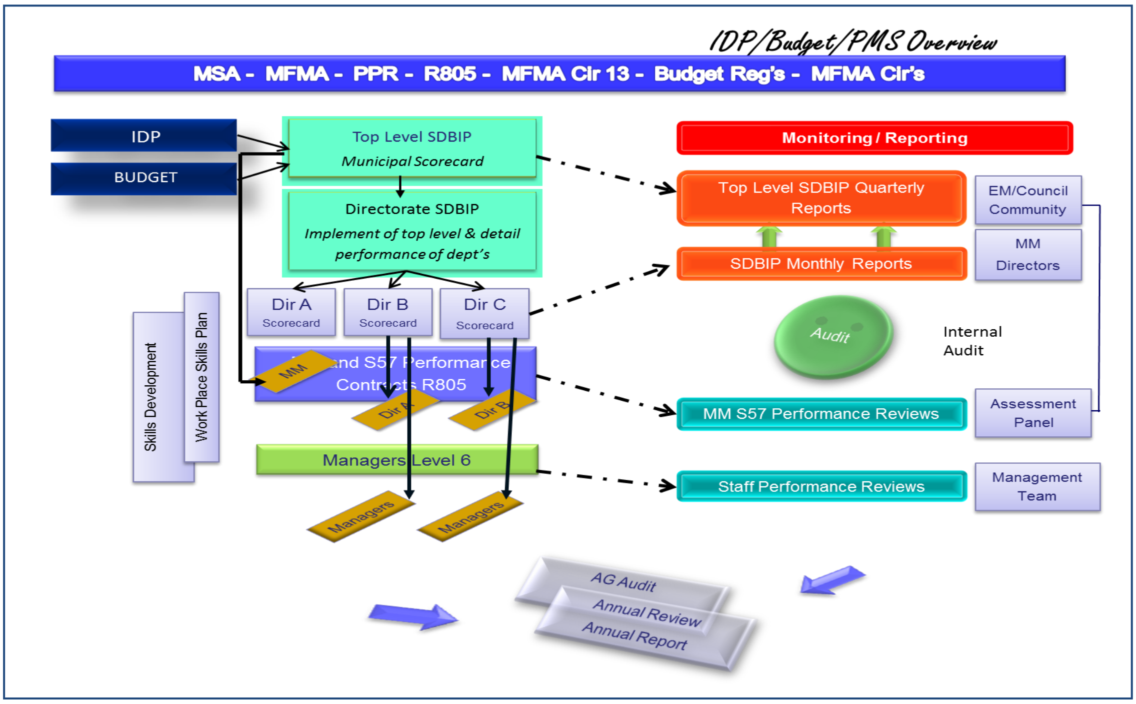
  The SDBIP show monthly projections of revenue by vote in addition to revenue by source. This is done to review the budget projections against actual revenue and expenditure by vote in order to gain a more complete picture than provided by reviewing expenditure only.

- **Monthly Projections of Consolidated Service Delivery Targets and Performance Indicators for each Vote**
  While the first two components indicate projections of budgeted amounts for revenue and expenditure, this component requires non-financial measurable key performance indicators and service delivery targets (including reduction of backlogs). The focus here is on outputs and outcomes, and not so much on inputs or internal management objectives.

- **Detailed Capital Works Plan broken down by Ward over Three years**
  Information detailing infrastructure projects per ward containing project description and anticipated capital costs over the three year period.

1.4 SDBIP Link to Strategic Issues in the IDP

The Municipality endeavours to have a seamless link between IDP, as the strategic plan, the SDBIP, which operationalise the IDP and the Budget and the performance agreements of top and middle management – as well as to all levels of staff. This is illustrated in the diagramme below:



In reviewing the strategic objectives of the 5-year IDP in relation to both the present contectual issues relating to development in SPM and the latest national and provincial strategies and plans it was found that the current strategic focus of the IDP remains sound and correct and that focus for this MTREF should be on implementiation.

Sol Plaatje Municipality must, during the remainder of this IDP cycle, concentrate on an action-oriented development programme that will see the fruition of the present strategic objectives.

It should also be emphasised that the implementation of this development programme is also dependent on creating the correct preconditions for delivery; including institutional alignment, securing financial resources and creating optimal stakeholder configurations.

During the preparation of the present IDP a process was set in motion to refine the SPM's strategic development strategy with the view to develop its overall strategic objectives in such a way that it provides a better framework for sector-specific and joint work which is integrated and mutually supportive. The process of refining the strategy accepts the validity and urgency of the issues set out in the past, but it argues that Sol Plaatje Municipality should address these issues from a strong base, or common starting point. It also addresses issues around the manner in which the Municipality's strategy is "packaged" and presented – this gave rise to the decision to embark on a long-term Growth and Development Strategy for the Sol Plaatje Municipality.

This strategic agenda should give effect to the vision of the Municipality, namely

SOL PLAATJE, A DYNAMIC AND CARING MUNICIPALITY THAT PROVIDES A COMPREHENSIVE RANGE OF AFFORDABLE SERVICES TO ALL ITS RESIDENTS

In order to achieve this vision it will be important for SPM to ensure growth in the local economy in order to be sustainable. The SPM also needs to improve on the efficiency of its services, the sustainability of its finances and the effectiveness of its administration. This translates into two high level strategic objectives that also encompass all national government priorities, namely:

A better standard of living for all - which requires a growing economy depending on a municipal strategy driving urban efficiencies; and
A better quality of life for all - which requires a caring municipality concerned at providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate.

2. THE REVIEWED 5 YEAR IDP ACTION PLAN RESOURCED

2.1 Budgeting Process

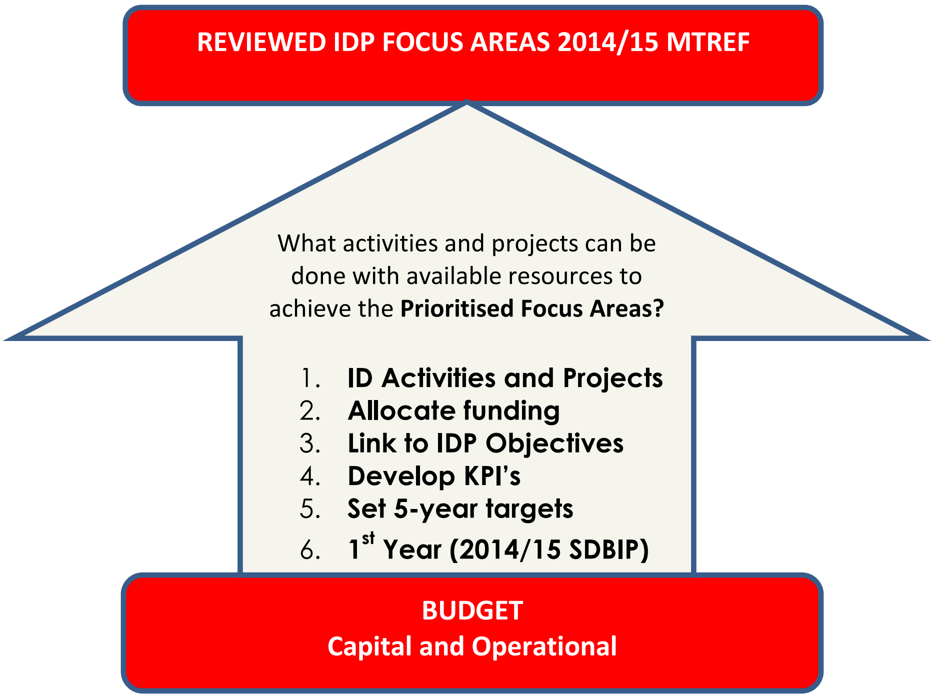
The budgeting process is preceded by the preparation of the IDP.

The budget, both capital and operational, addresses the strategic development agenda of the Municipality as per the IDP. During the present IDP review and considering the present IDP implementation progress it was found that SPM has achieved both financial and administrative stability and that emphasis should now be placed on accelerating the implementation of programmes and projects to achieve its strategic objectives outlined in Chapter 5 of the IDP 2012/13 – 2016/17.

To achieve this goal priority is given to the following key issues which inform the Municipality's resource allocation and activities for the 2015/16 MTREF – and also aligns to the National Development Plan and Back to Basics Programme:

- **An Infrastructure led growth path in the local economy to ensure sustainable development**
- **Concentrate on the Municipality's core functions, namely to improve the efficiency of its service delivery to households who need it most**
- **Ensure financial sustainability**
- **Improve the effectiveness of the Administration**

Programmes, projects and activities have been identified to address the key focus areas discussed above and have been resourced with the available financial resources from own confirmed funding and gazetted funding from National and Provincial Government. This process is diagrammatically indicated below:



2.2 The 2015/16 MTREF Funding Plan

The Tables below indicate the funding plan to fund the IDP Priorities for the 2015/16 MTREF.

2.2.1 Funding the Operational Budget

The municipality raises its revenue through the sale of municipal services being water and electricity as well as service charges for refuse removal, sanitation and other services as well as from property rates and taxes.

The municipal services are billed monthly based on consumption and approved tariffs. A consolidated bill is then sent out to the customer. The municipality is also appointed as an agent by the Department of Transport for motor vehicle registration and licensing and as such earns commission which mainly covers the direct costs of providing the service.
The municipality levies rates on land and development within its jurisdiction. Rates are payable annually by no later than 30 September each year or monthly as the municipal account falls due.

The Table below indicates the operational funding from the various sources and the expenditure by type for the 2015/16 MTREF.

Table 1: Revenue by Source for the 2015/16 MTREF

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	271,038	331,348	368,225	397,946	397,946	397,946	423,808	461,721	501,361
Property rates - penalties & collection charges									
Service charges - electricity revenue	480,070	539,544	528,885	608,853	568,853	568,853	651,586	708,906	768,813
Service charges - water revenue	169,936	198,997	197,867	239,315	224,315	224,315	245,333	260,367	276,234
Service charges - sanitation revenue	52,962	58,667	63,601	67,187	67,887	67,887	72,545	76,730	81,230
Service charges - refuse revenue	37,731	41,221	44,695	46,841	46,841	46,841	50,428	53,607	56,397
Service charges - other	1		–						
Rental of facilities and equipment	12,416	14,253	17,795	17,606	17,606	17,606	19,182	20,370	21,520
Interest earned - external investments	8,565	15,240	21,413	12,000	16,000	16,000	16,000	20,000	22,000
Interest earned - outstanding debtors	30,424	32,108	56,744	45,000	65,000	65,000	50,000	49,000	47,000
Dividends received		–	–	–	–	–	–	–	–
Fines	5,424	4,652	11,554	7,635	11,635	11,635	10,419	11,037	11,637
Licences and permits	3,797	2,568	2,708	2,672	2,672	2,672	2,995	3,176	3,352
Agency services	3,603	4,860	4,339	4,900	4,900	4,900	5,800	6,298	6,844
Transfers recognised - operational	154,482	166,865	166,601	164,710	169,842	169,842	166,787	159,437	161,379
Other revenue	25,323	35,599	36,945	33,745	82,399	82,399	34,336	36,438	38,704
Gains on disposal of PPE	–	–	275	–	–		–	–	–
Total Revenue (excluding capital transfers and contributions)	**1,255,771**	**1,445,923**	**1,521,649**	**1,648,410**	**1,675,896**	**1,675,896**	**1,749,221**	**1,867,087**	**1,996,471**

2.2.2 Funding the Capital Budget

The Municipality's Capital Budget can only be funded from the following three sources, namely

- **Own revenue (Capital Replacement Reserve)**

  In accordance with Sec 18 of the MFMA only revenue surpluses from the previous financial year, that are cash backed and not committed for any spending in the following year, can contribute to the capital budget (CRR). Presently it is projected that a total of R47,433 million is available for the 2015/16 financial year and the total own funds that can be allocated to the CRR over the next 3 years amounts to R106,719 million based on the cash flow projections indicated above.

Funding	2015/16	2016/17	2017/18
	R'000	R'000	R'000
CRR	47,433	38,382	20,903

- **Conditional Grants**

  Funding is availed from National Treasury and Provincial Treasury for service delivery projects with prescribed conditions attached to it, which inter alia means that the funding cannot be used for any other purpose, except for the approved projects as pertained in the business plan submitted.
  The following grants as per table below were gazetted

Funding	2015/16	2016/17	2017/18
	R'000	R'000	R'000
Municipal Infrastructure Grant (MIG)	46,626	48,393	51,097
Regional Bulk infrastructure Grant (RBIG)	5,550	–	–
Neighbourhood Development Partnership Grant (Capital Grant)	5,100	11,800	10,600
Integrated National Electrification Program(Municipal) Grant (INEP)	7,000	3,045	2,046
TOTAL	**64,276**	**63,238**	**63,743**

Indicated in the table below is the grant linked to each project

Name of Grant	Amount Gazetted	Project/s Funded by Grant
MIG	R 25,986,744	Homevale Waste Water Treatment Plant(15ML extension)
MIG	R 1,210,932	Phutanang Cemetery
MIG	R 8,468,235	Landfill Site
MIG	R 6,459,596	Ritchie Bulk
MIG	R 1,000,000	Lerato Park Water
MIG	R 1,000,000	Lerato Park Sewer
MIG	R 1,000,000	Satelite Fire Station
MIG	R 1,500,000	High Mast Street Lighting
Sub Total	**R 46,625,507**	

Name of Grant	Amount Gazetted	Project Funded by Grant
NDPG	R 5,100,000	Neighbourhood Development Partnership Grant
Sub Total	**R 5,100,000**	

Name of Grant	Amount Gazetted	Project Funded by Grant
RBIG	R 5,550,000	Homevale Waste Water Treatment Plant 15ML
Sub Total	**R 5,550,000**	

Name of Grant	Amount Gazetted	Project Funded by Grant
INEP	R 7,000,000	Electrification of Diamant Park Phase 2
Sub Total	**R 7,000,000**	
Total	**R 64,275,507**	

The municipality was identified as one of the municipalities to participate in the Neighbourhood Development Programme. Since the inception of the programme by National Treasury, there had been ongoing challenges experienced by the municipality in accessing the Capital Grant to the full extent. During 2011/12, National Treasury evaluated the performance of NDPG and as a result embarked on a process of strategic planning to deepen value for money and long term impact.

The result of the exercise was the formulation of a new strategy now referred to as Urban Network Strategy (UNS) which is pro—poor/pro-growth investment approach. The new strategy had since been reflected in the amendment of the 2014/15 DoRA NDPG Framework which stated that future NDPG allocations will be focuses on municipalities and projects that align with the NDPG prioritisation criteria.

Grants from Coghsta constitutes mainly of projects comprising housing development and services. This being the Greenpoint Stormwater Project and the Diamant Park project where the eventual funded will be in the region of R62 million. In the current financial year, R6m was earmarked for Greenpoint Stormwater and R22m for the Diamant Park Project.

Progress on both projects are satisfactory and it is envisaged that the total allocations for 2014/15 will be spent. The Diamant Park project is in its second phase. This comprise of the servicing of approximately 2oo erven. 892 erven was serviced in phase 1 of the project. Housing projects to the tune of R49m was funded through Coghsta grants for 2014/15. The following projects were implemented:

Homevale 35 R4.6m
Phutanang 60 scheme R4.3m
Galeshewe infills 62 R4.4m
Lindane 303 R36m

- **Long term borrowings**

  It is not anticipated at this stage that the Municipality will take up any new long term loans for the remainder of this IDP Cycle.

Table 2 below depicts the funding sources for capital for the 2015/16 MTREF

Table 2: Capital Funding Sources for the 2015/16 MTREF

Funding	2015/16	2016/17	2017/18
	R'000	R'000	R'000
CRR	47,433	38,382	20,903
Municipal Infrastructure Grant (MIG)	46,626	48,393	51,097
Regional Bulk infrastructure Grant (RBIG)	5,550	–	–
Neighbourhood Development Partnership Grant (Capital Grant)	5,100	11,800	10,600
Integrated National Electrification Program(Municipal) Grant (INEP)	7,000	3,045	2,046
TOTAL	**111,709**	**101,620**	**84,646**

2.2.3 The 5 Year Key Performance Indicators and Targets

A Multi-Year Municipal Performance Plan setting the necessary annual KPI's and targets for each IDP Objective aligned to the key focus areas for the 2015/16 MTREF has been prepared considering the available resources and possible financial risks as discussed above (sections 2.1.1 and 2.2.2).

This Multi-year Municipal Performance Plan (attached as Annexure 1) is aligned to the Municipal Development Strategy as well as the other spheres of government's priorities. In this manner Sol Plaatje can ensure that when it actually implement projects and complete operational activities that it will contribute to the overall priorities set for the development of South Africa, and not only for its local area.

3. THE 2015/16 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

3.1 The 2015/16 MTREF Budget

Table below indicate the alignment of the revenue budget with the Strategic Objectives of the IDP for the 2015/16 MTREF period.

Table 3: Revenue Budget aligned to IDP Strategic Objectives

Strategic Objective R thousand	Goal	Revenue Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
KPA 1: Local Economic Development	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks To initiate, lead and sustain an investment environment for job creation in the SPM Area To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	8,325	8,855	9,374
KPA2: Basic and Sustainable Service Delivery and Infrastructure Development	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and stormwater as well as community services to all residents of SPM To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	1,081,660	1,160,128	1,242,855
KPA 3 Municipal Financial Viability and Management	Ensure sound financial management and financial sustainability of SPM	492,312	533,864	577,843
KPA 4: Municipal Institutional Development and Transformation	To provide an overarching framework for sustainable municipal performance improvement To provide a framework for Municipal Transformation and Institutional Development	5,960	6,318	6,665
KPA 5: Good Governance and Public Participation	To ensure an Unqualified Audit Report To enhance the public profile, reputation and positioning of the SPM	225,238	221,161	223,478
Total		**1,813,495**	**1,930,326**	**2,060,215**

The municipality's expenditure for the 2015/16 budget and MTREF is informed by the following:

- Modelling of feasible and sustainable budgets over the medium term,
- Cognisance of international, national and local economic- and fiscal conditions,
- Expenditure limits set by realistic and realisable revenue levels,
- The asset repairs and maintenance goals,
- Relevant (budget and other) legislative imperatives, and
- Operational gains and efficiencies directed to fund areas of strategic priority and known commitments.

The Tables below indicate the Municipality's monthly financial targets for the 2015/16 financial year.

Table 4: Monthly Revenue Targets per Source for the 2015/16 Financial Year

Description	Budget Year 2015/16												MTREF		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +2 2016/17	Budget Year +2 2017/18
Revenue By Source															
Property rates	190,393	21,022	20,909	21,706	21,317	21,317	21,356	21,362	21,271	21,271	21,271	20,613	423,808	461,721	501,361
Property rates - penalties & collection charges												–	–	–	–
Service charges - electricity revenue	66,795	65,086	44,926	48,061	48,002	47,436	52,166	51,600	47,349	56,325	57,379	66,462	651,586	708,906	768,813
Service charges - water revenue	15,002	17,099	16,957	20,484	20,570	24,653	24,837	23,935	20,000	20,000	20,000	21,797	245,333	260,367	276,234
Service charges - sanitation revenue	5,996	6,705	5,981	5,976	5,958	6,019	5,960	5,993	6,085	6,085	6,085	5,702	72,545	76,730	81,230
Service charges - refuse revenue	4,213	4,291	4,185	4,184	4,189	4,218	4,163	4,214	4,206	4,206	4,206	4,152	50,428	53,607	56,397
Service charges - other												–	–	–	–
Rental of facilities and equipment	1,300	1,279	1,404	1,485	1,360	1,478	2,018	1,227	1,475	1,475	1,475	3,207	19,182	20,370	21,520
Interest earned - external investments		1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	4,000	16,000	20,000	22,000
Interest earned - outstanding debtors	3,676	3,870	5,296	5,367	3,673	4,879	4,145	4,381	3,558	3,558	3,558	4,038	50,000	49,000	47,000
Dividends received												–	–	–	–
Fines	868	868	868	868	868	868	868	868	868	868	868	868	10,419	11,037	11,637
Licences and permits	207	257	255	250	161	143	350	311	282	282	282	214	2,995	3,176	3,352
Agency services	483	483	483	483	483	483	483	483	483	483	483	483	5,800	6,298	6,844
Transfers recognised - operational	56,881	–	–	–	51,146	–	–	4,814	41,556	–	–	12,390	166,787	159,437	161,379
Other revenue	3,027	2,785	3,027	3,027	3,027	3,027	3,027	3,027	3,027	3,027	3,027	1,281	34,336	36,438	38,704
Gains on disposal of PPE												–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**348,840**	**124,946**	**105,491**	**113,092**	**161,956**	**115,722**	**120,573**	**123,415**	**151,362**	**118,782**	**119,835**	**145,207**	**1,749,221**	**1,867,087**	**1,996,471**

Table 5: Monthly Expenditure Targets per Vote for 2015/16

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type															
Employee related costs	42,157	43,421	40,964	42,816	45,187	53,499	42,751	45,450	44,399	44,399	44,399	107,811	597,254	635,056	672,424
Remuneration of councillors	1,646	1,646	1,646	1,625	1,661	1,650	1,650	1,645	1,646	1,646	1,646	3,256	21,365	22,647	24,006
Debt impairment	161,000											–	161,000	174,300	187,126
Depreciation & asset impairment	–	–	–	–	–	–	–	–	–	–	–	53,600	53,600	60,019	64,678
Finance charges						14,895						14,895	29,790	28,514	26,779
Bulk purchases	48,000	52,205	54,074	33,678	34,570	34,357	35,022	36,796	32,646	32,683	25,004	41,964	461,000	505,780	554,932
Other materials	3,561	7,415	6,976	7,236	5,128	9,648	3,627	7,703	8,890	7,108	7,108	7,104	81,503	88,481	94,963
Contracted services												–	–	–	–
Transfers and grants	6,967	4,637	4,167	4,167	4,167	4,167	4,167	4,167	5,567	4,167	4,167	4,543	55,050	58,300	61,495
Other expenditure	22,045	23,428	23,969	23,458	21,953	22,689	21,326	21,320	21,698	23,000	24,000	28,895	277,780	285,785	301,826
Loss on disposal of PPE												–	–	–	–
Total Expenditure	**285,376**	**132,752**	**131,796**	**112,981**	**112,666**	**140,905**	**108,543**	**117,080**	**114,846**	**113,004**	**106,325**	**262,068**	**1,738,342**	**1,858,882**	**1,988,228**
Surplus/(Deficit)	**63,464**	**(7,807)**	**(26,305)**	**111**	**49,290**	**(25,182)**	**12,030**	**6,334**	**36,516**	**5,778**	**13,510**	**(116,861)**	**10,878**	**8,205**	**8,243**
Transfers recognised - capital												64,276	64,276	63,238	63,743
Surplus/(Deficit) after capital transfers & contributions	**63,464**	**(7,807)**	**(26,305)**	**111**	**49,290**	**(25,182)**	**12,030**	**6,334**	**36,516**	**5,778**	**13,510**	**(52,586)**	**75,154**	**71,443**	**71,986**
Surplus/(Deficit)	**63,464**	**(7,807)**	**(26,305)**	**111**	**49,290**	**(25,182)**	**12,030**	**6,334**	**36,516**	**5,778**	**13,510**	**(52,586)**	**75,154**	**71,443**	**71,986**

Table 6: Capital Budget Funding Sources for 2015/16

Funding	2015/16 R'000	% Weighting
CRR	47,433	42%
Municipal Infrastructure Grant (MIG)	46,626	42%
Regional Bulk infrastructure Grant (RBIG)	5,550	5%
Neighbourhood Development Partnership Grant (Capital Grant)	5,100	5%
Integrated National Electrification Program(Municipal) Grant (INEP)	7,000	6%
TOTAL	**111,709**	**100%**

Table 7 below indicate the capital contribution to the IDP Objectives for the 2015/16 Financial Year.

Table 7: Capital Contribution to the IDP Objectives

IDP Objectives	No of Projects	2015/16	% Contribution
1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	3	R 9,100,000	**8%**
2.1 To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	1	R 43,052,648	**39%**
2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	11	R 36,959,596	**33%**
2.4 To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	3	R 15,096,357	**14%**
3.1 Ensure sound financial management and financial sustainability of SPM	2	R 4,500,000	**4%**
4.1 To provide an overarching framework for sustainable municipal performance improvement	1	R 3,000,000	**2%**
TOTAL		**R 111,708,601**	**100%**

Table 8: Monthly Capital Expenditure per Municipal Vote: 2015/16

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Budget Year 2015/16	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated															
Vote 8 - INFRASTRUCTURE AND SERVICES	1,500	1,876	2,100	2,546	2,897	3,102	3,546	3,789	3,897	4,100	5,102	10,598	45,053	27,812	3,876
Capital multi-year expenditure sub-total	**1,500**	**1,876**	**2,100**	**2,546**	**2,897**	**3,102**	**3,546**	**3,789**	**3,897**	**4,100**	**5,102**	**10,598**	**45,053**	**27,812**	**3,876**
Single-year expenditure to be appropriated															
Vote 1 – EXECUTIVE AND COUNDIL											3,000	–	3,000	3,000	3,000
Vote 5 – COMMUNTIY SERVICES	879	891	949	978	989	1,000	1,200	1,234	1,532	1,648	1,895	1,901	15,096	9,136	966
Vote 6 - FINANCIAL SERVICES	150	167	198	210	234	256	289	301	356	450	599	1,290	4,500	1,500	2,000
Vote 7 - STRATEGY ECON DEVELOPMENT AND PLANNING	250	296	301	346	387	415	456	523	645	1,500	1,750	2,231	9,100	13,800	12,600
Vote 8 - INFRASTRUCTURE AND SERVICES	324	919	1,221	1,481	2,446	2,902	3,102	4,796	6,844	7,282	2,036	1,607	34,960	46,372	62,204
Capital single-year expenditure sub-total	**1,603**	**2,273**	**2,669**	**3,015**	**4,056**	**4,573**	**5,047**	**6,854**	**9,377**	**10,880**	**9,280**	**7,029**	**66,656**	**73,808**	**80,770**
Total Capital Expenditure	**3,103**	**4,149**	**4,769**	**5,561**	**6,953**	**7,675**	**8,593**	**10,643**	**13,274**	**14,980**	**14,382**	**17,627**	**111,709**	**101,620**	**84,646**

Table 9: Capital Project Schedule for 2015/16 per Vote and Ward

Projects	Ward	Funding Source	2015/16	
			Internal	Grant
EXECUTIVE AND COUNCIL				
Loose Equipment	All	CRR	3 000 000	
STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING				
Township Establishment studies	All	CRR	2 000 000	
Reselling of erven services	All	CRR	2 000 000	
Neighbourhood Development Partnership Grant	All	NDPG		5 100 000
INFRASTRUCTURE AND SERVICES				
Diamond Park Phase 2	25	INEP		7 000 000
High-mast Street Lights	All	MIG		1 500 000
Replacement of Pre-paid meters	All	CRR	3 000 000	
INEP Eskom Grant	All	EDMS		
Fleet Replacement Programme	All	CRR	4 000 000	
Zone Metering and Pressure Management	All	CRR	3 000 000	
Replacement of water meters	All	CRR	4 000 000	
Riverton water (High Lift Pumps)	All	CRR/MIG	1 000 000	
Ritchie Augmentation of Bulk and Connector Water	26,27	MIG		6 459 596
Homevale WWTW Upgrade (15 ML)	All	CRR/MIG	11 515 904	25 986 744
Homevale WWTW Upgrade (15 ML)	All	RBIG		5 550 000
Lerato Park: Bulk Water Mains	All	MIG		1 000 000
Lerato Park: Bulk Sewer Mains	All	MIG		1 000 000
Upgrade Carters Glen Sewer Pump	All	CRR	5 000 000	
FINANCIAL SERVICES				
IT Replacement programme: Hardware and software	All	CRR	4 500 000	
COMMUNITY AND SOCIAL DEVELOPMENT SERVICES				
Sol Plaatje Cemetery	All	MIG/CRR	1 210 932	
Landfill Site - Upgrade	All	MIG/CRR	4 417 190	8 468 235
Ritchie Satellite Fire Station	26,27	MIG		1 000 000
TOTAL			**47 433 094**	**64 275 507**
GRAND TOTAL			**R 111 708 601**	

3.2 CONSOLIDATED SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

The Service Delivery Targets and Performance Indicators per National and Municipal Key Performance Areas (KPA's) are discussed below.

3.2.1 Macro Structure

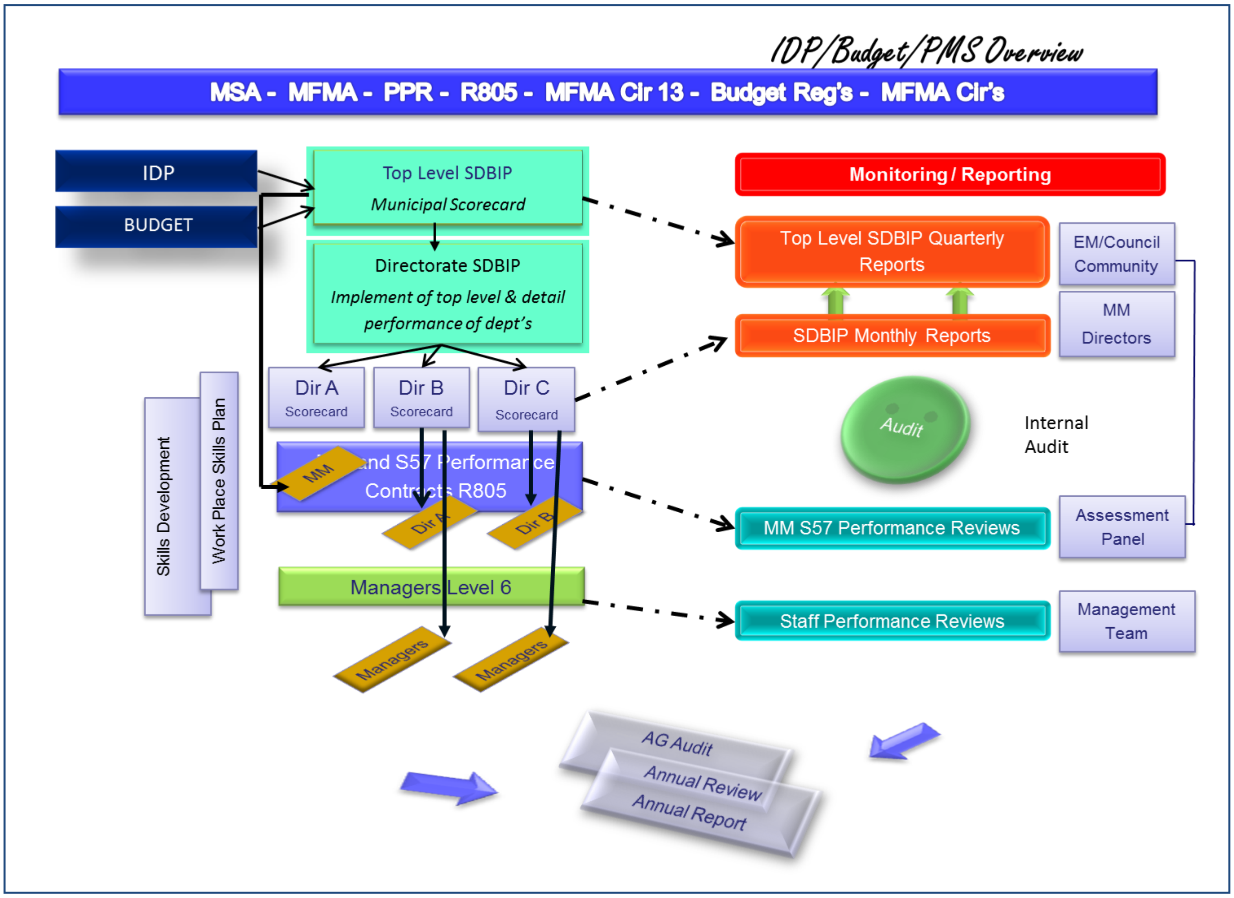
The Key Performance Indicators identified for the 2015/16 Financial Year are per Municipal Vote (Directorate). It assigns the responsibility of each Directorate for its specific KPI and target - see diagramme below and Annexure 1 (Multi-year Targets) and Annexure 2 (Quarterly Targets). These KPI's and Targets again inform the

Performance Contract for the Municipal Manager and Managers accountable to the Municipal Manager as well as middle managers up to job level 6 (See Diagramme below).

Municipal Manager
Mr GH AKHARWARAY

(Internal Audit, IDP, PMU, Legal, Policy Development)

Infrastructure and Services	**Community and Social Development Services**	**Financial Services**	**Corporate Services**	**Strategy, Economic Development and Planning**
ED: B Dhluwayo	ED: K. Bogacwi	CFO: Z.L Mahloko	ED: K.R Sebolecwe	ED: N Tyabashe-Kesiamang
Responsibilities:	**Responsibilities:**	**Responsibilities:**	**Responsibilities:**	**Responsibilities:**
Roads and Stormwater Water and Sanitation Electricity Housing Fleet Management Mechanical Workshops	Health, Recreational Facilities, Libraries, Traffic, Emergency Services, Personal Health, Environmental Health, Parks, and Recreation, Social Development and Cleansing Services	Budget and Treasury Office, ICT, Revenue Management, Debt Management, Supply Chain Management, Expenditure Management and Assets Management	Human Resources, Security, Committee Services, Councillor Support, Mayor and Speakers Office, Administration, Legal, Communications, Risk Management,	LED, Tourism, Urban Planning, Market, Urban Renewal Programme, Area Based Management, Investment Promotion, SMME Development



3.2.2 Multi-year Performance Plan (Annexure 1)

The Multi-year Municipal Performance Plan (Annexure 1) represents the key indicators at an organisational level for the remainder of this IDP Cycle. The indicators are also aligned with the national and provincial performance indicators and the overall strategic agenda of the municipality as well as LGTAS Focus Areas to ensure alignment with the IDP and Budget. It also informs the SDBIP for 2015/16.

3.2.3 Quarterly Service Delivery targets and Performance Indicators per Vote 2015/16 SDBIP (Annexure 2)

Annexure 2 indicates the KPI's and Targets for the 2015/16 financial year – the first year of the multi-year performance plan.

ANNUAL CONSOLIDATED FINANCIAL AND SERVICE DELIVERY TARGETS FOR SOL PLAATJE MUNICIPALITY FOR 2014/15 - 2016/17 ANNEXURE 1

OFFICE OF THE MUNCIPAL MANAGER

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2014/15	Annual Targets 2015/16	2016/17	2017/18
KPA 4: Municipal Institutional Development and Transformation	**4.1 To provide an overarching framework for sustainable municipal performance improvement**	IDP Office	Review Integrated Performance Management Policy annually by 31 May 2015	Reviewed policy. Minutes of council meeting where approved	Submission of documentary proof (progress reports, minutes of meetings and audit reports etc) of work done in reviewing the PMS policy	11	-	1	1	1	1
		IDP Office	Implemenation of performance management policy at senior management and one level below that of the senior managers, including managers reporting to the accounting officer in terms of their functions by 30 June 2015	Performance evaluations, performance agreements, level of compliance	Performance evaluations, performance agreements, level of compliance		New	New	100%	-	-
		IDP Office	Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager	Number of assessments conducted	Assessment reports	12	2	2	2	2	2
		IDP Office	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter	No of Reports submitted	Actual report submitted and signed off by EM	11	4	4	4	4	4
		IDP Office	Complete individual performance management to all levels of staff by 30 June 2017	% progress in establishing PMS to all levels of staff	Assessment reports	11	15%	60%	75%	100%	100%
		IDP Office	Conduct bi-annual performance assessments of middle management (up to level 6) by 30 June	Number of assessments conducted	Assessment reports	11	2	2	2	2	2

DIRECTORATE INFRASTRUCTURE AND SERVICES

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register	Baseline	Annual Target 2014/15	Annual Targets 2015/16	2016/17	2017/18
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.1 To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth**	Water and Sanitation	Replace 2 old high lift pumps at Riverton Water Purification Works with new ones by Dec 2015	Number of pumps	Project progress reports, minutes of site meetings, physical site visits	2	0	2	-	-	-

		Water and Sanitation	Completion of the bulk sewage project at Homevale will ensure an additional 15 Ml/day treatment capacity by December 2015	% completion of the project	Project progress reports, minutes of site meetings, physical site visits	1	64.00%	100.00%	100.00%	-	-
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Electricity	Save 10MW of electricity during peak times by switching of 2 kW geysers of 25,000 households as requested by Eskom	Units of electricity saved	Calculations by City Electricity Engineer	3	New	10 MW	-	-	-
		Electricity	Decrease electricity losses to 15% by 30 June 2017	% electricity losses	Reports on electricity losses as per the actual records system	3	16.47%	15%	15.5%	15%	14%
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Electricity	786 additional households connected to the electricity network by 30 June 2017	No of houses connected to electricity network	Project reports and actual measurement on the ground	3	492	214	446	-	-
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Water and Sanitation	Decrease non-revenue water losses to 33% by 30 June 2017	% water losses	Reports on water losses as per the actual records system	2	44%	47%	37%	33%	30%
			Achieve 100% Bluedrop Status by 30 June 2017	Annual % status achieved	DWA assessment report	2	84%	90%	92%	100%	100%
			Achieve 100% Greendrop Status by 30 June 2017	Annual % status achieved	DWA assessment report		76%	85%	90%	100%	100%
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Water and Sanitation	2492 Additional Households connected to sewer network by 30 June 2017	No of houses connected to sewer network	Project reports and actual measurement on the ground	2	1854	892	-	-	-
			2492 Additional Households connected to water network by 30 June 2018	No of houses connected to water network		2	1067	892	533	-	-
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Roads and Storm water	Paving of 8,5 km residential roads by 30 June 2017	Km of roads paved	Project reports and actual measurement on the ground	5	New	-	2.5 km	6 km	-
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Housing	1375 Additional Households to be provided with a subsidised house by 30 June 2018	No of houses constructed	Actual completed structures	5	516	440	409	-	-
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Urban Planning	2000 Additional new erven planned and surveyed and ready for installation of municipal services in existing informal settlements by 30 June 2017	Erven planned, surveyed on approved SG diagramme	Layout Plans completed and approved General Plans	2	10	457	3 527	-	-

DIRECTORATE FINANCIAL SERVICES									Annual Targets		
KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register	Baseline	Annual Target 2014/15	2015/16	2016/17	2017/18
KPA 1. Local Economic Development	**1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks**	Supply Chain Management	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award	Average time in weeks to awards tenders	Register indicating the steps for assessing and awarding of tenders and dates when each step was signed off - from submission of the tender to final awarding of tender	1	-	12	12	12	12
		Supply Chain Management	To improve the SCM turnaround time to 6 weeks for once of contracts from closing date to date of award	Average time in weeks to awards tenders		1	-	6	6	6	6
		Supply Chain Management	Through the adoption of Mzantsi Golden Economy strategy, promote tourism into the city using arts, culture and heritage as a strategy	Number of arts and culture related activities	Angenda's, attendance registers of tourism activities held		New	New	3	3	3
		Supply Chain Management	Support SMME's through incubation and mentoring of at least 10 businesses annually	Number of businesses incubated and mentored	Reports of businesses incubated and mentored		New	New	10	10	10
		Supply Chain Management	Through monthly inspection of residential business ensure that small businesses are licensed	Number of inspection reports	Inspection reports		New	New	12	12	12
		Supply Chain Management	Host an SMME Business week annually	Hosted SMME business week. Prgramme, agenda, attendance registers	Agenda and attendance registers of business week hosted		New	New	1	1	1
	1.3 To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Supply Chain Management	Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from enterprises with a minimum of level 3 BBBEE contributor	% of the Municipality's own procurement for goods and services	Records/reports of goods and services procured	8	60%	60%	60%	60%	60%
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM**	Finance/Water/ Electricity	12,000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2018	No of indigent households receiving free basic services	Verified indigent register and financial reports	2	0	12 000	12 000	12 000	12 000
KPA 3: Municipal Financial Viability and Management	**3.1 Ensure sound financial management and financial sustainability of SPM**	Finance	Improve revenue enhancement by ensuring a collection rate of 90,5% after debt write off by 30 June 2017	% collection rate	Financial and Audit reports	6	83%	88%	89.4%	90.5%	90.5%
		All	To spend at least 95% of the Capital Budget (including VAT) on capital projects identified ito the IDP by 30 June 2017	% capex of capital budget	Financial and Audit reports	6	0	87%	90%	95%	95%
		All	To spend at least 95% of the Operational Budget annually (30 June)	% opex of operational budget	Financial and Audit reports	6	0	95%	95%	95%	95%
		Finance	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2017	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	Financial and Audit reports	6	1.83:1	2:1	2:1	2:1	2:1
		Finance	Reducing the ratio of outstanding service debtors to revenue to 20% by 30 June 2017	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	Financial and Audit reports	6	52%	40%	25%	20%	20%

		Finance	Increase the cost coverage ratio to 3:1 annually or maintain the current status by 30 June 2017	Cost coverage (Available cash + investments/ monthly fixed operating expenditure)	Financial and Audit reports	6	2:1	03:01	02:01	3:1	3:1
		Finance	Prepare a SCOA compliant budget by 30 June 2016	level of compliance	Budget and financial statements	6	new	New	100%	100%	100%
		Finance	Increase the municipal reserves by at least 10% per annum from the previous year's actual balance annually (30 June)	% increase	Financial and Audit reports	6	100%	10%	-	-	-
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets**	All	To spend at least 10% of the operational budget on O & M by 30 June 2017	% spend on O&M	Financial and Audit reports	6	5%	6%	8%	10%	10%
KPA 3: Municipal Financial Viability and Management	**3.1 Ensure sound financial management and financial sustainability of SPM**	All	Decrease employee related costs to 30 % of the Operational Budget by 30 June 2017	Employee related cost as a % of Ops Budget	Financial and Audit reports	6	34%	33%	32%	30%	30%
KPA 5: Good Governance and Public Participation	**5.1 To ensure an improved audit opinion in line with the LGTAS**	SCM	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders/quotes submitted by 30 June 2017	% successful appeals	Actual appeals lodged	8.25%	0	5%	5%	5%	5%
	5.1 To ensure an improved audit opinion in line with the LGTAS	All	Achieve an unqualified audit opinion from the 2014/15 financial statements onwards	Annual AGSA opinion	AGSA Annual Audit Report	12	Qualified	Un-qualified	Un-qualified	Clean	Clean
		Risk management unit	Review service delivery mechanisms and improve turnaround time by conducting quarterly risk assessments	Number of risk assessments conducted	Risk assessment documents	12	New	New	4	4	4
	5.3 To continuosly assess internal control environment by conducting internal audits across various functions of the municipality	Internal audit	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	Internal audit reports	12	New	New	10	10	10
	5.3 To ensure that the municipality provides basic services to the community in a cost effective manner	Finance	Adoption of the back to basics to inform service delivery strategy of the municipality by 30 June 2017.	Back to Basics strategy adopted	Back to Basics strategy adopted	12	New	New	1	1	1
	5.4 To ensure that customers have a platform to express their level of satisfaction with the services of the municipality as well as their experiences	Finance	Conduct at least 5 community surveys on on service delivery related experiences	Number of community surveys conducted	Surveys	12	New	New	5	5	5

DIRECTORATE CORPORATE SERVICES									Annual Targets		
KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2014/15	2015/16	2016/17	2017/18
KPA 5: Good Governance and Public Participation	5.2 To enhance the Public Profile, Reputation and Positioning of SPM	Webmaster	Ensure an updated and interactive web site linked to other spheres of Government on a continuous basis	% compliant to relevant legislation	Actual updated information on web	11	New	100%	100%	100%	100%
		Webmaster	Establish effective communication channels and feedback mechanisms through the provision of a well managed municipal website as well as monthly municipal newsletters.	Municipal website and number of newletters published	Municipal website and number of newletters published	11	New	New	12	12	12
KPA 4: Municipal Institutional Development and Transformation	4.2 To provide a framework for Municipal Transformation and Institutional Development	Equity Unit	All levels of personnel on the organogram of the SPM should be 100% representative according to the Employment Equity Plan of the Municipality as well as the most recent Provincial EAP Profiles by 30 June 2017	% progress	Equity register	12	87%	87%	70%	100%	100%
		Human Resources	Compile an approved Human Resource Management Plan with specific reference to staffing (attraction/retention), HRA, HRM and HRD by 30 June 2017	% progress in preparing HRM Plan	Submission of documentary proof (progress reports, minutes of meetings, actual plan etc) of work done in preparing an HRM Plan	12	60%	60%	100%	100%	100%
		Risk Management Unit	Compile and approve a "top 10" risk register by 30 June 2015	Approved risk register	Approved risk register	12	New	1	-	-	-
	4.2 To provide a framework for Municipal Transformation and Institutional Development	Risk Management Unit	Facilitate the implementation of an Enterprise Risk Management Framework annually	Number of risk assessments conducted	Updated Risk Register and Minutes of Audit Committee	NA	New	4	4	4	4
			Submission of an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity Report submitted	Maturity Report and Minutes Audit Committee	NA	New	1		1	

DIRECTORATE STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING									Annual Targets		
KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2014/15	2015/16	2016/17	2017/18
KPA 1 Local Economic Development	**1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks**	Building Services	Ensuring the turnaround time for building plan approval to 8 weeks by 30 June 2017 for buildings or architectural buildings greater than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	Register indicating the steps for approval and dates when each step was signed off - from submission of plan to final approval	1	18 weeks	10 weeks	10 weeks	8weeks	8weeks
			Ensuring the turnaround time for building plan approval to 4 weeks by 30 June 2017 for buildings or architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	Register indicating the steps for approval and dates when each step was signed off - from submission of plan to final approval	1	0	4 weeks	6 weeks	4 weeks	4 weeks
		LED	Improving the turnaround time for development applications (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council to 12 weeks by 30 June 2017	Average time in weeks to approve applications	Register indicating the steps for approval and dates when each step was signed off - from submission of application to final approval	1	0	12 weeks	10 weeks	10 weeks	10 weeks
	1.2 To initiate, lead and sustain an investment environment for job creation in the SPM Area	LED	Create 1025 FTE jobs through initiatives of the SPM (including LED, EPWP, Capital Projects, Maintenance activities etc) by 30 June 2017	No of FTE jobs created	Register of jobs created through EPWP, Capital projects, maintenance activities etc	1	FTE	320	300	350	375
	1.3 To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Properties	To alienate earmarked Municipal land and properties to the value of at least R 5 million for development purposes in line with the SDF/LUMS on an annual basis	R value of proceeds received from land and property sales	Contracts signed and financial records	1	0	5 000 000	-	-	-
		Properties	To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Number of feasibility studies performed	Feasibility studies performed	1	0	New	2	2	2

DIRECTORATE COMMUNITY AND SOCIAL DEVELOPMENT SERVICES									Annual Targets		
KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register	Baseline	Annual Target 2014/15	2015/16	2016/17	2017/18
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.4 To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM**	Cleansing	1800 new Households to be provided with a weekly solid waste removal service by 30 June 2017	No of houses receiving a weekly solid waste removal service	Project reports and actual measurement on the ground	2	0	0	600	1200	-
		Parks	A planned, prioritised and budgeted operational plan for each section in the Directorate Community and Social Development Services (Personal Health, Environmental Health, Library, Parks and Recreation, Emergency, Traffic, Motor Registration and Licensing and Social Development)	Operational plan	Operational plan	2	100%	100%	-	-	-

CONSOLIDATED QUARTERLY FINANCIAL AND SERVICE DELIVERY TARGETS FOR SOL PLAATJE MUNICIPALITY FOR 2015/16 per vote **ANNEXURE 2**

OFFICE OF THE MUNCIPAL MANAGER									Quarterly targets			
KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
KPA 4: Municipal Institutional Development and Transformation	**4.1 To provide an overarching framework for sustainable municipal performance improvement**	IDP Office	Review Integrated Performance Management Policy annually by 31 May 2015	Reviewed policy. Minutes of council meeting where approved	Submission of documentary proof (progress reports, minutes of meetings and audit reports etc) of work done in reviewing the PMS policy	11	-	1	0	0	0	1
		IDP Office	Implemenation of performance management policy at senior management and one level below that of the senior managers, including managers reporting to the accounting officer in terms of their functions by 30 June 2015	Performance evaluations, performance agreements, level of compliance	Performance evaluations, performance agreements, level of compliance		New	100%	100%	100%	100%	100%
		IDP Office	Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager	Number of assessments conducted	Assessment reports	12	2	2	0	1	1	2
		IDP Office	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter	No of Reports submitted	Actual report submitted and signed off by EM	11	4	4	1	2	3	4
		IDP Office	Complete individual performance management to all levels of staff by 30 June 2015	% progress in establishing PMS to all levels of staff	Assessment reports	11	15%	75%	25%	25%	70%	75%
		IDP Office	Conduct bi-annual performance assessments of middle management (up to level 6) by 30 June	Number of assessments conducted	Assessment reports	11	2	2	0	1	0	2

DIRECTORATE INFRASTRUCTURE AND SERVICES									Quarterly targets			
	KPA	IDP Objective	KPI Reporter	KPI	Measurement	POE	Risk Register Ref	Baseline	Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.1 To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth**	Water and Sanitation	Replace 2 old high lift pumps at Riverton Water Purification Works with new ones by Dec 2015	Number of pumps	Project progress reports, minutes of site meetings, physical site visits	2	0	-	-	2	0	0
		Water and Sanitation	Completion of the bulk sewage project at Homevale will ensure an additional 15 Ml/day treatment capacity by December 2015	% completion of the project	Project progress reports, minutes of site meetings, physical site visits	1	64.00%	100.00%	20.00%	40.00%	60.00%	100.00%
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Electricity	Save 10MW of electricity during peak times by switching of 2 kW geysers of 25,000 households as requested by Eskom	Units of electricity saved	Calculations by City Electricity Engineer	3	New	-	10MW	10MW	10MW	10MW
		Electricity	Decrease electricity losses to 15% by 30 June 2015	% electricity losses	Reports on electricity losses as per the actual records system	3	16.47%	15.5%	0.0%	0%	0%	15.5%
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Electricity	446 additional households connected to the electricity network by 30 June 2015	No of houses connected to electricity network	Project reports and actual measurement on the ground	3	492	446	0	0	200	446
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Water and Sanitation	Decrease non-revenue water losses to 37% by 30 June 2015	% water losses	Reports on water losses as per the actual records system	2	44%	37%	37%			
			Achieve 92% Bluedrop Status by 30 June 2016	Annual % status achieved	DWA assessment report	2	84%	92%	92%			
			Achieve 90% Greendrop Status by 30 June 2016	Annual % status achieved	DWA assessment report		76%	90%	90%			
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Water and Sanitation	2492 Additional Households connected to sewer network by 30 June 2016	No of houses connected to sewer network	Project reports and actual measurement on the ground	2	1854	-	-	-	-	-
											-	

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarter 1	Quarter 2	Quarter 3	Quarter 4
			2492 Additional Households connected to water network by 30 June 2018	No of houses connected to water network	ground	2	1067	533	-	-		533
	2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Roads and Storm water	Paving of 2,5 km residential roads by 30 June 2016	Km of roads paved	Project reports and actual measurement on the ground	5	New	2.5 km	-	-	-	2.5 km
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Housing	409 Additional Households to be provided with a subsidised house by 30 June 2018	No of houses constructed	Actual completed structures	5	516	409	-	-	-	409.00
	2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM	Urban Planning	3527 Additional new erven planned and surveyed and ready for installation of municipal services in existing informal settlements by 30 June 2016	Erven planned, surveyed on approved SG diagramme	Layout Plans completed and approved General Plans	2	10	3 527	-	-	-	3 527.00

DIRECTORATE FINANCIAL SERVICES

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarterly targets: Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
KPA 1. Local Economic Development	**1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks**	Supply Chain Management	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award	Average time in weeks to awards tenders	Register indicating the steps for assessing and awarding of tenders and dates when each step was signed off - from submission of the tender to	1	-	12	12	12	12	12
		Supply Chain Management	To improve the SCM turnaround time to 6 weeks for once of contracts from closing date to date of award	Average time in weeks to awards tenders		1	-	6	6	6	6	6
		Supply Chain Management	Through the adoption of Mzantsi Golden Economy strategy, promote tourism into the city using arts, culture and heritage as a strategy	Number of arts and culture related activities	Angenda's, attendance registers of tourism activities held	New	New	3	3	1	2	3
		Supply Chain Management	Support SMME's through incubation and mentoring of at least 10 businesses annually	Number of businesses incubated and mentored	Reports of businesses incubated and mentored	New	New	10	10	2	4	10
		Supply Chain Management	Through monthly inspection of residential business ensure that small businesses are licensed	Number of inspection reports	Inspection reports	New	New	12	3	6	9	12
		Supply Chain Management	Host an SMME Business week annually	Hosted SMME business week. Prgramme, agenda, attendance registers	Agenda and attendance registers of business week hosted	New	New	1	1	1	1	1
	1.3 To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Supply Chain Management	Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from enterprises with a minimum of level 3 BBBEE contributor	% of the Municipality's own procurement for goods and services	Records/reports of goods and services procured	8	60%	60%	60%	60%	60%	60%
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.3 To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM**	Finance/Water/ Electricity	12,000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2018	No of indigent households receiving free basic services	Verified indigent register and financial reports	2	0	12 000	12 000	12 000	12 000	12 000
KPA 3: Municipal Financial Viability and Management	**3.1 Ensure sound financial management and financial sustainability of SPM**	Finance	Improve revenue enhancement by ensuring a collection rate of 90,5% after debt write off by 30 June 2016	% collection rate	Financial and Audit reports	6	83%	89.4%	89.4%	89.4%	89.4%	89.4%
		All	To spend at least 95% of the Capital Budget (including VAT) on capital projects identified ito the IDP by 30 June 2016	% capex of capital budget	Financial and Audit reports	6	0	90%	90%	90%	90%	90%
		All	To spend at least 95% of the Operational Budget annually (30 June)	% opex of operational budget	Financial and Audit reports	6	0	95%	95%	95%	95%	95%
		Finance	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2016	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	Financial and Audit reports	6	1.83:1	2:1	2:1	2:1	2:1	2:1
		Finance	Reducing the ratio of outstanding service debtors to revenue to 20% by 30 June 2016	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	Financial and Audit reports	6	52%	25%	25%	25%	25%	25%
		Finance	Increase the cost coverage ratio to 3:1 annually or maintain the current status by 30 June 2016	Cost coverage (Available cash + investments/ monthly fixed operating expenditure)	Financial and Audit reports	6	2:1	02:01	02:01	02:01	02:01	02:01

		Finance	Prepare a SCOA compliant budget by 30 June 2016	level of compliance	Budget and financial statements	6	new	100%	100%	100%	100%	100%
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.2 To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets**	All	To spend at least 8% of the operational budget on O & M by 30 June 2016	% spend on O&M	Financial and Audit reports	6	5%	8%	8%	8%	8%	8%
KPA 3: Municipal Financial Viability and Management	**3.1 Ensure sound financial management and financial sustainability of SPM**	All	Decrease employee related costs to 30 % of the Operational Budget by 30 June 2016	Employee related cost as a % of Ops Budget	Financial and Audit reports	6	34%	32%	32%	32%	32%	32%
KPA 5: Good Governance and Public Participation	**5.1 To ensure an improved audit opinion in line with the LGTAS**	SCM	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders/quotes submitted by 30 June 2016	% successful appeals	Actual appeals lodged	8.25%	0	5%	5%	5%	5%	5%
	5.1 To ensure an improved audit opinion in line with the LGTAS	All	Achieve an unqualified audit opinion from the 2014/15 financial statements onwards	Annual AGSA opinion	AGSA Annual Audit Report	12	Qualified	Un-qualified	Un-qualified	0	0	1
		Risk management unit	Review service delivery mechanisms and improve turnaround time by conducting quarterly risk assessments	Number of risk assessments conducted	Risk assessment documents	12	New	4	0	2	3	4
	5.3 To continuosly assess internal control environment by conducting internal audits across various functions of the municipality	Internal audit	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	Internal audit reports	12	New	10	1	4	6	10
	5.3 To ensure that the municipality provides basic services to the community in a cost effective manner	Finance	Adoption of the back to basics to inform service delivery strategy of the municipality by 30 June 2016.	Back to Basics strategy adopted	Back to Basics strategy adopted	12	New	1	2	1	1	1
	5.4 To ensure that customers have a platform to express their level of satisfaction with the services of the municipality as well as their experiences whilst interacting with the staff	Finance	Conduct at least 5 community surveys on on service delivery related experiences	Number of community surveys conducted	Surveys	12	New	5	0	2	4	5

DIRECTORATE CORPORATE SERVICES									Quarterly targets			
KPA	**IDP Objective**	**SUB-DIRECTORATE**	**KPI**	**Measurement**	**POE**	**Risk Register Ref**	**Baseline**	**Annual Target 2015/16**	**Quarter 1 30 Sept 2015**	**Quarter 2 31 Dec 2015**	**Quarter 3 31Mar 2016**	**Quarter 4 30 Jun 2016**
KPA 5: Good Governance and Public Participation	**5.2 To enhance the Public Profile, Reputation and Positioning of SPM**	Webmaster	Ensure an updated and interactive web site linked to other spheres of Government on a continuous basis	% compliant to relevant legislation	Actual updated information on web	11	New	100%	100%	100%	100%	100%
		Webmaster	Establish effective communication channels and feedback mechanisms through the provision of a well managed municipal website as well as monthly municipal newsletters.	Municipal website and number of newletters published	Municipal website and number of newletters published	11	New	12	3	6	9	12
KPA 4: Municipal Institutional Development and Transformation	**4.2 To provide a framework for Municipal Transformation and Institutional Development**	Equity Unit	All levels of personnel on the organogram of the SPM should be 70% representative according to the Employment Equity Plan of the Municipality as well as the most recent Provincial EAP Profiles by 30 June 2016	% progress	Equity register	12	87%	70%	70%	70%	70%	70%
		Human Resources	Compile an approved Human Resource Management Plan with specific reference to staffing (attraction/retention), HRA, HRM and HRD by 30 June 2016	% progress in preparing HRM Plan	Submission of documentary proof (progress reports, minutes of meetings, actual plan etc) of work done in preparing an HRM Plan	12	60%	100%	100%	100%	100%	100%
		Risk Management Unit	Compile and approve a "top 10" risk register by 30 June 2016	Approved risk register	Approved risk register	12	New	1	-	1	1	1

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
	4.2 To provide a framework for Municipal Transformation and Institutional Development	Risk Management Unit	Facilitate the implementation of an Enterprise Risk Management Framework annually	Number of risk assessments conducted	Updated Risk Register and Minutes of Audit Committee	NA	New	4	1	2	3	4
			Submission of an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity Report submitted	Maturity Report and Minutes Audit Committee	NA	New	1	1			

DIRECTORATE STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarterly targets: Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
KPA 1 Local Economic Development	**1.1 To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks**	Building Services	Ensuring the turnaround time for building plan approval to 8 weeks by 30 June 2016 for buildings or architectural buildings greater than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	Register indicating the steps for approval and dates when each step was signed off - from submission of plan to final approval	1	18 weeks	10 weeks	10 weeks	10 weeks	10 weeks	10 weeks
			Ensuring the turnaround time for building plan approval to 4 weeks by 30 June 2016 for buildings or architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	Register indicating the steps for approval and dates when each step was signed off - from submission of plan to final approval	1	0	6 weeks	6 weeks	6 weeks	6 weeks	6 weeks
		LED	Improving the turnaround time for development applications (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council to 12 weeks by 30 June 2016	Average time in weeks to approve applications	Register indicating the steps for approval and dates when each step was signed off - from submission of application to final approval	1	0	10 weeks	10 weeks	10 weeks	10 weeks	10 weeks
	1.2 To initiate, lead and sustain an investment environment for job creation in the SPM Area	LED	Create 300 FTE jobs through initiatives of the SPM (including LED, EPWP, Capital Projects, Maintenance activities etc) by 30 June 2016	No of FTE jobs created	Register of jobs created through EPWP, Capital projects, maintenance activities etc	1	FTE	300	50	100	200	300
	1.3 To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Properties	To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Number of feasibility studies performed	Feasibility studies performed	1	0	2	-	1	1	2

DIRECTORATE COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

KPA	IDP Objective	SUB-DIRECTORATE	KPI	Measurement	POE	Risk Register Ref	Baseline	Annual Target 2015/16	Quarterly targets: Quarter 1 30 Sept 2015	Quarter 2 31 Dec 2015	Quarter 3 31Mar 2016	Quarter 4 30 Jun 2016
KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development	**2.4 To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM**	Cleansing	600 new Households to be provided with a weekly solid waste removal service by 30 June 2016	No of houses receiving a weekly solid waste removal service	Project reports and actual measurement on the ground	2	0	600	50	150	350	600.00
		Parks	A planned, prioritised and budgeted operational plan for each section in the Directorate Community and Social Development Services (Personal Health, Environmental Health, Library, Parks and Recreation, Emergency, Traffic, Motor Registration and Licensing and Social Development)	Operational plan	Operational plan	2	100%	-	-	-	-	100%

BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS

SOL PLAATJE MUNICIPALITY

ANNEXURE : BUDGET RELATED POLICIES

List of Budget related policies	Explanation numbers	Approved	Resolution Number	Reviewed
Policy Asset Management	1	28-May-14	C125/05/14	N/A
Policy Cash Management & Investment	1	07-Apr-05	CR22	N/A
Policy Credit Control	1	28-May-14	C125/05/14	N/A
Policy Indigent	1	28-May-14	C121/05/14	N/A
Policy Internal Audit	1	17-Nov-05		N/A
Policy Property Rates	1 and 2	28-May-14	C125/05/14	March 2015
Policy Risk Management	1	17-Nov-05	CR500	N/A
Policy Supply Chain Management	1	04-Nov-14	C265/11/14	N/A
Tariff Policy on Property Rates	1	28-May-14	C125/05/14	N/A
Tariff Policy on Electricity	1	28-May-14	C125/05/14	N/A
Tariff Policy on Water	1	28-May-14	C125/05/14	N/A
Tariff Policy on Sanitation	1	28-May-14	C125/05/14	N/A
Tariff Policy on Refuse Removal/Solid Waste	1	28-May-14	C125/05/14	N/A
Policy Debt Write-off	1	28-May-14	C125/05/14	N/A
Policy Regarding Audit Committees	1	17-Nov-05	CR500	N/A
Policy Asset Disposal	1	28-May-14	C125/05/14	N/A
Policy Borrowing	1	28-May-14	C125/05/14	N/A
Policy irregular, fruitless and wasteful expenditure	1	28-May-14	C125/05/14	N/A
Budget Implementation and Management Policy (Budget Policy)	1	28-May-14	C125/05/14	N/A
Funding and Reserves policy (included in Budget policy)	1	28-May-14	C125/05/14	N/A
Policy Short and Long term borrowing	1	19-Apr-11	C150/11	N/A
Financial Management and Revenue Enhancement Strategy policy	2			March 2015
Policy related to long-term financial planning	2			March 2015

Explanation numbers

1. These policies are accessible on the Sol Plaatje website: **www.solplaatje.org.za.**

2. Policy to be approved with budget process 2015/16.

SOL PLAATJE LOCAL MUNICIPALITY

PROPERTY RATES POLICY

We Serve

APPROVED ON THE

RESOLUTION NUMBER

INDEX **Page**

SOL PLAATJE MUNICIPALITY

PROPERTY RATES POLICY

1. DEFINITIONS / INTERPRETATION

"Act", means the Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004;

"agent", in relation to the owner of a property-
(a) to receive rental or other payments in respect of the property on behalf of the owner; or
(b) to make payments in respect of the property on behalf of the owner;

"agricultural consumers" means consumers predominantly engaged in agriculture activities by using land for the production or raising of crops, poultry or livestock. Such consumers include an owner, landlord tenant or occupant.

"agricultural propertyurpose", in relation to the use of a property, means property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the a property for the purpose of eco-tourism or for the trading in or hunting of game;

"annually", means once every financial year;

"appeal board", means a valuation board established in terms of section 56 of the Act;

"category" –
(a) in relation to property, means a category of properties determined in terms of section 8;
(b) in relation to owners of properties, means a category of owners determined in terms of section 15 (2);

"category of properties", means a category of properties determined according to the zoning, use of the property, permitted use of the property, or the geographical area in which the property is situated;

"Council" means the highest legislative body of the Sol Plaatje Municipality as referred to in section 157 (1) of the Constitution and section 18 (3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

"date of valuation", for the purposes of a general valuation, means the date to be determined by the municipality, which date may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented;

"day" means when any number of days are prescribed for the performance of any act, those days must be reckoned by excluding the first and including the last day, unless the last day falls on a Saturday, Sunday or any public holiday, in which case the number of days must be reckoned by excluding the first day and also any such Saturday, Sunday or public holiday;

"district municipality" means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

"economic services", means services for which the tariffs are fixed to recover the full costs of the service, like refuse and sewer services;

"effective date"-
(a) in relation to a valuation roll, means the date on which the valuation roll takes effect, in terms of section 32 (1) of the Act, or
(b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect and in terms of section 78 (b);

"exemption", in relation to the payment of a rate, means an exemption from the payment of rates, granted by a municipality in terms of section 15;

"financial year", means the period starting from 1 July in a year to 30 June the next year;

"land reform beneficiary", in relation to a property, means a person who-
(a) acquired the property through-
   (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
   (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
(b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or

(c) person who holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

"land tenure right", ~~means an old order right or a new order right~~ means a land tenure right as defined in section 1 of the ~~Communal Land Rights Act, 2004~~Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);

"local community", in relation to a municipality-

(a) means that body of persons comprising-
   (i) the residents of the municipality;
   (ii) the ratepayers of the municipality;
   (iii) any civic organizations and non-governmental, private sector or labour organizations or bodies which are involved in local affairs within the municipality; and
   (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;

(b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

"local municipality", means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

"market value", in relation to a property, means the amount a property would have realized if sold on the date of valuation in the open market by a willing seller to a willing buyer;

"MEC for local Government", means the member of the Executive Council of a province who is responsible for local government in that province;

"mining property", means a property used for mining operations as defined in the Mineral and Petroleum Resources Developments Act, 2002 (Act No. 28 of 2002);

"multiple purposes", in relation to a property, means the use of a property for more than one purpose, subject to section 9;

"Municipal Manager", means a person appointed in terms of section 54A of the Municipal Structures Act, 1998;

"municipality", means the Sol Plaatje Municipality;

"Municipal Finance Management Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"Municipal Valuer" or "valuer of a municipality" means a person designated as a municipal valuer in terms of section 33(1) of the Act.

"newly rateable property", means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which the Property Rates Act took effect, excluding:

(a) a property which was incorrectly omitted from valuation roll and for that reason was not rated before that date; and

(b) a property identified by the Minister by notice in the *Gazette* where the phasing-in of a rate is not justified;

"occupier", in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

"office bearer", in relation to places of public worship, means the primary person who officiates at services at that place of worship;

"official residence", in relation to places of public worship, means—

(a) a portion of the property used for residential purposes; or

(b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer;";

"owner"-

(a) in relation to a property, means a person in whose name ownership of the property is registered;

(b) in relation to a right means a person in whose name the right is registered;

(c) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of the section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;

(d) in relation to a share in a share block company, the share block company as defined in the Share Blocks Control Act, 1980 (Act No. 59 of 1980);

~~(b)~~(e) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;

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(c)(f) in relation to a land tenure right means a person in whose name the right is registered; or to whom it was granted in terms of legislation; or

(d)(g) in relation to public service infrastructure, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of " publicly controlled"; provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:

(i) A trustee, in the case of a property in a trust excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;

(v) a curator, in the case of a property in the estate of a person under judicial management;

(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;

(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

(vii)(viii) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or

(viii)(ix) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

"permitted use", relation to a property, means the limited purposes for which the property may be used in terms of-

(a) any restrictions imposed by-

(i) a condition of title;

(ii) a provision of a town planning or land use scheme; or

(iii) any legislation applicable to any specific property or properties; or

(b) any alleviation of any such restrictions;

"place of public worship", means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is—

(a) registered in the name of the religious community;

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(b) registered in the name of a trust established for the sole benefit of a religious community; or

(c) subject to a land tenure right;'';

"property", means-

(a) immovable property registered in the name of a person including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;

(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;

(c) a land tenure right registered in the name of a person or granted to a persons in terms of legislation; or

(d) public service infrastructure;

"property register", means a register of properties referred to in section 23 of the Act;

"protected area", refers to nature reserves, botanical gardens or national parks provided that the specific area/s is declared as a "Protected area" referred to in section 10 of the Protected Areas Act;

"Protected Areas Act" means the National Environmental Management: Protected Areas Act, 2003 (Act No. 57,of 2004);

"publicly controlled", means owned by or otherwise under the control of an organ of state including-

(a) a public entity listed in the Public Finance Management Act,1999 (Act No. 1 of 1999),

(b) a municipality; or

(c) a municipal entity as defined in the Municipal Systems Act;

"public service infrastructure", means publicly controlled infrastructure of the following kinds:

(a) national, provincial or other public road on which goods, services or labour move across a municipal boundary;

(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water of sewer scheme serving the public;

(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;

(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;

(e) railway lines forming part of national railway system;

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(f) communication towers masts, exchanges or lines forming part of a communications system serving the public;

(g) runways, or aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for air navigation purposes;

(h) breakwater, sea walls, channels, basin, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewage or similar services of ports, or navigational aids comprising light houses, radio navigational aids, buoys, or any other device or system used to assist the safe and efficient navigation of vessels;

(i) any other publicly controlled infrastructure as may be prescribed; or

(j) rights of way, easements or servitudes in connection with infrastructure mention in paragraphs (a) to (i)

(j)

"public service purposes", in relation to the use of a property, means property owned and used by an organ of state as—

(a) hospitals or clinics;
(b) schools, pre-schools, early childhood development centres or further education and training colleges;
(c) national and provincial libraries and archives;
(d) police stations;
(e) correctional facilities; or
(f) courts of law,
but excludes property contemplated in the definition of 'public service infrastructure';

"rate", means a municipal rate on property envisaged in section 229(1)(a) of the Constitution;

"rateable property", means property on which a municipality may levy a rate, excluding property fully excluded from the levying of rates;

"rebate", in relation to a rate payable on a property, means a discount granted in terms of the amount of the rate payable on the property;

"reduction", in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property at that lower amount;

"residential property", means a property included on a valuation roll in terms of section 48(2) (b) of the Act as residential propertyin respect of which the primary use or permitted use is for residential purposes without derogating from section 9;

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"sectional titles unit", means a unit defined in section 1 of the Sectional Titles Act; 1986 (Act No. 95 of 1986);

"specified public benefit activity", means an activity listed as welfare and humanitarian, health care and education and development in Part 1 of the Ninth Schedule to the Income Tax Act;

"state trust land", means land owned by the state in trust for persons communally inhabiting the land in terms of a traditional system of land tenure, land owned by the state over which land tenure rights were registered or granted or land owned by the state which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

"trading services", means services for which the tariffs are fixed to yield a trading profit, like electricity and water services;

2. PURPOSE OF POLICY

2.1. The purpose of this policy is to allow Council to exercise its power to impose rates within a statutory framework, with the aim to enhance certainty, uniformity and simplicity, taking into account the historical imbalances within communities, as well as the burden of rates on the poor.

2.2. As trustees on behalf of the local community, the Municipality shall adhere to its legislative and moral obligation to ensure it implements this policy to safeguard the monetary value and future service provision invested in property.

3. LEGAL FRAMEWORK

3.1. This policy has been compiled in accordance with: -

3.1.1 Section 229 of the Constitution of the Republic of South Africa, giving the municipality power to value and rate property in its area of jurisdiction;

3.1.2 The Municipal Property Rates Act, 6 of 2004;

3.1.3 The Local Government: Municipal Finance Management Act 2003, hereinafter referred to as the "MFMA"; and

3.1.4 The Local Government: Municipal Systems Act, 2000, hereinafter referred to as the "Systems Act".

3.2 This policy shall be subject to the applicable legislation.

3.3 This policy shall be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials; the Council and the Executive Mayor as well as between Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

3.4 The Council shall, as stipulated in Chapter 4 of the Municipal Systems Act and section 22 of the MFMA, provide measures for continuous consultation with the community and other stakeholders in the development and ultimate adoption of this Property Rates Policy.

3.5 The Constitution entitles everyone to administrative action which is lawful, reasonable and procedurally fair and to be given reasons for any such action which affects them.

The Promotion of Administrative Justice Act 3/2000 is the legislation required by the Constitution to give effect to the right to just administrative action and in order to promote and efficient administration and good governance and to create a culture of accountability, openness and transparency in public

administration or in the exercise of a public power or the performance of a public function.

This policy incorporates the above principles by providing parameters and procedures to guide the municipality and its officers in implementing it, and thereby exercising a public power through a series of administrative actions. In so doing, this policy seeks to provide certainty on the part of those affected by it with regard to how the municipality will act in the circumstances covered by the policy and uniformity of action on the part of its officers.

The municipality commits itself and its officers to act fairly and justly in an open and transparent manner in implementing this policy.

4. IMPOSITION OF PROPERTY RATES

4.1. Obligation:

4.1.1. The Council shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property recorded in the municipality's valuation roll and supplementary valuation roll.

4.1.2. The Council pledges itself, subject to any applicable limitations by law, to limit each annual increase as far as practicable to the increase in the consumer price index over the period preceding the financial year to which the increase relates and to any limitations imposed by National Treasury.

4.1.3. The Council shall, in imposing the rate for each financial year, take proper cognizance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership, and of the extent to which this burden is or remains competitive with the comparable burden in other municipalities within the local economic region.

4.2. Policy principles

All ratepayers, in a specific category, as determined by Council from time to time, shall be treated equitably, as required by Section 3 (3) (a) of the Act;

4.2.1 Rates shall be raised in proportion to the improved value of the property;

4.2.2 The rates tariff shall be based on the value of all rateable properties and the amount required by the municipality to balance the operating budget after taking into account profits generated by trading and

economic services and the amounts required to finance exemptions, rebates and reductions of rates as approved by Council from time to time;

4.2.3 Property rates shall not be used to subsidize trading services;

4.2.4 Exemptions, reductions and rebates should not unreasonably affect the income base of the municipality.

Therefore, pursuant to section 3 (3) (b) of the Act, it is the policy of the municipality, when –

* levying different rates for different categories of properties;
* exempting a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate on their properties;
* granting rebates;
* increasing rates;

to apply the following criteria -

* poverty alleviation
* stimulation of industrial growth
* promotion of tourism
* creation of jobs
* maintenance of agricultural activity
* assist charity and other public benefit organizations
* the consumer inflation index
* this municipality's budgetary needs
* this municipality's integrated development plan
* amounts contributed by services

4.2.5 **Compliance with section 3 (3) (d) of the Act**

Pursuant to section 3 (3) (d) of the Act, it is the policy of the municipality to exercise its powers in terms of section 9 (1) of the Act in relation to properties used for multiple purposes by assigning a property use for multiple purposes to a category based on the purpose corresponding with the **dominant use of** the property.

4.2.6 **Compliance with section 3 (3) (f) of the Act.**

Pursuant to section 3 (3) (f) of the Act, it is the policy of the municipality to provide indigent property owners as registered in terms of this municipality's indigents policy a rebate on their rates account.

4.2.7 **Compliance with section 3 (3) (h) of the Act.**

Pursuant to section 3 (3) (h) of the Act, it is the policy of the Municipality to, in addition to the exemption of the first 30% of value and the phasing in as prescribed in the Act, to consider further rebates on public service infrastructure, taking into account the Integrated Development Plan (IDP) priorities and objectives. The quantification of such rebates is to be determined by the annual budgetary process.

4.2.8 **Compliance with section 3 (3) (i) of the Act.**

Pursuant to section 3 (3) (i) of the Act, it is the policy of the Municipality to promote the interests of social or economic development, or when competing with other municipalities for investment of a specific nature, to consider providing special rates in order to attract such development or investment, provided such development or investment is quantifiably beneficial to the community and should not amount to unfair discrimination as contemplated in Chapter 2, section 9 of the Constitution.

4.2.9 **Compliance with section 3 (3) (j) of the Act.**

Pursuant to section 3 (3) (j) of the Act, it is the policy of the Municipality not to levy rates on property, owned by the municipality or vested in the municipality; and on a right registered against an immovable property.

4.3 **Valuation Criteria**

4.3.1 In recognising that the valuation function and the rates function is interrelated in so far as the imposition of rates depends on the provision of a valuation roll, the valuation function and its related objects and procedures is completely independent in its existence and its operation from the rates function and operation.

4.3.2 With reference to paragraph (1) and in terms of the Act in general and sections 45, 46 and 47 of the Act in particular, the following valuation criteria are prescribed:

4.3.2.1 Property must be valued in accordance with generally recognised valuation practices, methods and standards.

4.3.2.2 If the available market-related data of any category of rateable property is not sufficient for the properly application of paragraph 4.3.2.1 and 4.3.2.3, such property may be valued in accordance with any mass valuation system or technique approved by the municipality, after having considered any recommendations of its municipal valuer and as may be appropriate in the circumstances.

4.3.2.3 The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

4.3.2.4 Where the available market related data is not sufficient to determine the market value of a property, other generally recognised valuation practices, methods and standards may be used (For example: Discounted Cash Flow, Replacement Cost Less Depreciation).

4.3.2.5 When valuing a property that is subject to a sectional title scheme, the valuer must determine the market value of each sectional title unit in the scheme in accordance with paragraph 8.4 and section 46 of the Act.

5. CATEGORIES OF RATEABLE PROPERTIES

In terms of Section 8 and in pursuant to section 3 (3) (c) of the Act, the municipality may levy different rates for the different categories of rateable properties as set out below.

Pursuant to section 3 (3) (c) of the Act, the Council will, in determining the category of a property, take into consideration the actual or permitted use of the property and the geographical area in which the property is situated.

The categories include the following:

5.1 Residential properties;

5.2 industrial properties;

5.3 business and commercial properties;

5.4 farm properties used for –

5.4.1 agricultural purposes,

5.4.2 other business and commercial purposes;

5.4.3 residential purposes; or

5.5 small holdings used for –

5.5.1 agricultural purposes,

5.5.2 residential purposes,

5.5.3 industrial purposes,

5.5.4 business and commercial purposes; or

5.6 state-owned properties;

5.7 non-residential municipal properties;

5.8 municipal owned residential property;

5.9 public service infrastructure;

5.10 formal and informal settlements;

5.11 state trust land;

5.12 properties acquired through provision of the Communal Land Rights Act, 1993, (No. 126 of 1993) or the restitution of land rights or which is subject to the Communal Property Associations Act, 2006;

5.13 protected areas;

5.14 properties on which national monuments are proclaimed;

5.15 Properties owned by public benefit organizations and used for any specific public benefit activities;

5.16 Properties used for multiple purposes

5.17 Kimberley Airport;

5.18 Private schools;

5.19 Public schools;

5.20 Mining properties (excluding mineral rights);

5.21 Registered residential businesses;

5.22 Unregistered residential businesses;

5.23 Sports fields;

5.24 Public Service Properties

5.25 Guest Houses – Residential (1-4 bedrooms)

5.26 Guest Houses – Business (5-17 bedrooms)

5.27 Rural Estates

5.235.28 Place of Worship.

6. EXEMPTIONS, REBATES AND REDUCTIONS ON RATES

In terms of Section 15(1) of the Act, the Municipality may: -

i. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or

ii. Grant to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate or a reduction in the rates payable in respect of their properties;

Determination of any possible exemptions, rebates or reduction will be considered annually as part of the budget process of the Municipality. As a guide in determining the possible exemptions, rebates or reductions, the following will be considered:

6.1 Exemptions

6.1.1 *Property registered in the name of and used primarily as a place of public worship* by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

6.1.2 *Public benefit activities (welfare and humanitarian)*

(i) Rateable property registered in the name of an institution or organization that performs welfare and humanitarian work as contemplated in the ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962) which is not operated for gain.

(ii) Rateable property, registered in the name of a trustee or any organization, which is maintained for the welfare of war veterans which is not operated for gain.

6.1.3 *Public benefit activities (cultural)*

(i) Rateable property registered in the name of Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers and similar organizations which is not operated for gain.

(ii) Rateable properties registered in the name of the organizations that are involved in the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries which is not operated for gain.

6.1.4 *Public benefit activities (sport)*

(i) Rateable properties used for the purpose of amateur and social activities, which are connected with such sport which is not operated for gain.

6.1.5 *Rateable properties used for public benefit activities (conservation, environment and animal welfare)*

(i) Properties that are in the name of an organisation or institution that is engaged in the conservation, rehabilitation or protection of the natural environment, including flora and fauna which is not operated for gain.

(ii) Rateable property registered in the name of an institution or organisation that has as its exclusive objective the protection of tame or wild animals or birds which is not operated for gain.

6.1.6 *Public benefit activities (health care)*

(i) Rateable property registered in the name of an institution or organisation which has as its exclusive objective health care or counselling for terminally ill persons or persons with a severe physical or mental disability and persons affected by HIV/ AIDS which is not operated for gain.

6.1.7 *Agricultural*

(i) Rateable property, registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purposes of such a society which is not operated for gain.

6.1.8 *Rateable property registered in the name of an institution or organisation, which, in the opinion of the Council, performs charitable work.*

6.1.9 As a caution to the possible infringement of section 16 (1) of the MPRA, as well as in recognition of the regulated tariffs for public service infrastructure affecting the feasibility of charging rates on the sector, it is the policy of this municipality to charge a zero rate to all public service infrastructure.

6.2 Rebates

Rebates for the following categories of owners of properties being utilized for the intended purpose will be considered:

6.2.1 *Rebates in respect of income categories: such as indigents, pensioners, disabled, etc.*

The following owners may be granted a rebate on or a reduction in the rates payable on their property if they meet all the following criteria:

- Registered owner of the property;

- Must reside on the property;
- Income must not exceed an amount annually set by the Council; and
- Applications for the rebate must be submitted before 30 June.
- Late applications ~~will~~ may be considered in terms of this policy and granted pro-rata from the date of the successful application.

6.2.2 *Municipal property and usage*

(i) A pro-rata rebate will be granted where the municipality is engaged in land sales transactions that have taken place after the financial year has started.

(ii) Where the municipality registers a road reserve or servitude on a privately owned property a pro rata rebate equal to the value of the reserve or servitude will be given to the owner of the property.

6.2.3 *State hospitals, state clinics and institutions for mentally ill persons, which are not operated for gain.*

6.2.4 *Road reserves are exempted from payment of rates in accordance with Act No. 7 of 1998 on Road Agencies.*

6.2.5 *All categories of properties as listed in paragraph 4 "Rateable Properties" may be subject to rebate. Such rebate shall be considered as part of the budgetary process envisioned in the MFMA.*

6.3 Elements to be considered

In determining any exemptions, rebates or reductions the Council shall consider:

6.3.1 The financial sustainability of the municipality and the cost of services to be provided from the assessment of the rates income.

6.3.2 The inability of residential property owners to pass on the burden of rates, as opposed to the ability of the owners of business, commercial, industrial and certain other properties to recover such rates as part of the expenses associated with the goods or service which they produce.

6.3.3 The need to accommodate indigents and pensioners will be dealt with in terms of the Council's indigent's policy and paragraph 6.2.1.

6.3.4 The value of agricultural activities to the local economy coupled with the limited municipal services extended to such activities.

6.3.5 The need to preserve the cultural heritage of the local community.

6.3.6 The need to encourage the expansion of public service infrastructure.

6.3.7 The contribution which property developers (especially in regard to commercial and industrial property development) make towards local economic development, and the continuing need to encourage such development.

6.4 Budget Year:

All exemptions, rebates and reductions projected in a financial year must be reflected in the municipality's budget for that year.

6.5 Compulsory Exemptions:

In terms of Section 17 of the Act, the Municipality shall further grant the following exemptions from rates:

6.5.1 At least the first R15 000 of the market value of residential properties and properties used for multiple purposes of which one or more components is used for residential purposes, where, in the case of residential properties, the properties referred to shall be vacant or improved properties and shall be zoned as residential and where, in the case of properties used for multiple purpose and of which one or more components is used for residential purposes.

6.5.2 The first 30% of the market value of public service infrastructure (Balance zero rated – refer 6.1.9)

6.5.3 Protected areas, where these areas refer to nature reserves, botanical gardens or national parks provided that the specific area/s is declared a "Protected area" in terms of the Protected Areas Act.

6.5.4 Mineral rights, where mineral rights refer to structures under the surfaces of the earth related to mineral extraction.

6.5.5 Property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds (see also 7.2 below).

6.5.6 Properties registered in the name of and primarily used for religious purposes, including the official residence occupied by the officiating office bearer. The exclusion from rates shall lapse if the property: -

6.5.6.1 is disposed of by the religious community owning it;

6.5.6.2 is no longer used primarily as a place of worship by a religious community;

6.5.6.3 referring to the official residence is no longer used as an official residence as specified in 6.1.1.

When the exclusion from rates of the property used as an official residence lapses, the religious community owning the property, becomes liable for the rates that would have been payable on the property during the period of one year preceding the date on which the exclusion lapses.

The amount, for which the religious community shall then become liable for, shall be regarded as rates in arrears.

6.6 Public service infrastructure

Public service infrastructure is to be valued at market value and where there is insufficient data such properties are to be valued using alternative acceptable valuation methods.

6.7 Local, social and economic development

The municipality may grant rebates to organizations that promote local, social and economic development as referred to in paragraphs 4.2.8 and 16 of this policy.

7. PHASING IN OF RATES

7.1 The rates to be levied on newly rateable public service infrastructure shall be phased in over a period of three financial years.

The phasing-in discount on public service infrastructure shall be as follows:

7.1.1 First year: 75% of the rate for that year otherwise applicable to the property;

7.1.2 Second year: 50% of the rate for that year otherwise applicable to the property; and

7.1.3 Third year: 25% of the rate for that year otherwise applicable to the property.

7.1.4 Fourth year: Full charge.

7.2 The rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities, shall be phased in over a period of four financial years.

The phasing-in discount on the properties mentioned in 6.2 above shall be as follows: -

7.2.1 First year: 100% of the rate for that year otherwise applicable to the property;

7.2.2 Second year: 75% of the rate for that year otherwise applicable to the property;

7.2.3 Third year: 50% of the rate for that year otherwise applicable to the property.

7.2.4 Fourth year: 25% of the rate for that year otherwise applicable to the property.

7.2.5 Fifth year: Full charge.

7.3 The rates to be levied on newly rateable property belonging to a land reform beneficiary or his or her heirs, shall be phased in over period of three financial years, which three years shall commence after the exclusion period of ten years following the date on which the title was registered in the name of the beneficiary or his/her heirs at the Registrar of Deeds, has lapsed.

8. SPECIAL RATING AREAS

8.1 The municipality may from time to time, as provided for in Section 22 of the Act, and as to be depicted in its annual budget and by resolution of the Council, determine a certain area within the boundaries of the municipality, as a special rating area.

8.2 Before determining a special rating area, the municipality shall:

8.2.1 consult the community on the proposed boundaries of the area,

8.2.2 inform the community regarding the proposed improvement or upgrading to be effected in the area, and

8.2.3 obtain the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate.

8.3 An additional rate, as will be depicted in the annual budget, shall be levied on the properties in the identified area, for the purpose of raising funds for improving or upgrading of the specified area.

8.4 The municipality may differentiate between categories of properties when levying the additional special rate.

8.5 The municipality shall establish separate accounting and other record-keeping systems for the identified area.

8.6 The municipality shall establish a committee, composed by representatives from the specific area, to act as consultative and advisory forum. This committee shall be a sub-committee of the ward committee/s in the area. Gender

representationivity shall be taken into consideration with the establishment of the committee.

9. LIABILITIES FOR AND RECOVERY OF RATES

9.1 The owner of a property shall be liable for the payment of the rates levied on the property.

9.2 Joint owners of a property shall be jointly and severally liable for payment of the rates levied on the property.

9.3 In the case where an agricultural property is owned by more than one owner in undivided shares and these undivided shares were allowed before the commencement date of the Subdivision of Agricultural Land Act, 1970, Act No. 70 of 1970, the municipality shall hold any joint owners liable for all rates levied in respect of the agricultural property concerned or hold any joint owners only liable for that portion of rates levied on the property that represents joint owner's undivided share in the property.

9.4 Rates levied on property in sectional title schemes, shall be payable by the owner of each unit.

9.5 Rates levied on property in sectional title schemes, where the Body Corporate is the owner of any specific sectional title unit, shall be payable by the Body Corporate.

10. GENERAL VALUATION OF RATEABLE PROPERTY

10.1 The first valuation roll prepared in terms of the Act, shall take effect from the start of the financial year following completion of the public inspection period.

10.2 A valuation roll remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than four financial years.

11. OBJECTIONS TO ENTRIES INTO THE VALUATION ROLL AFTER THE EXPIRY OF THE PRESCRIBED PERIOD

11.1 Where an authorised person submits an objection to the valuation of a property in a General or Supplementary Valuation Roll, and such objection does not fall within the allowed for prescribed period, the following is required to accompany such objection:

11.1.1 A valuation certificate from a professional valuer or associate valuer.

11.1.2 The payment of a prescribed fee as determined by Council from time to time in its budget process.

11.1.3 All accompanying documentation as the City Valuer may deem necessary in the resolution of the matter.

11.1.4 Depending on the complexity of the objection and the type of property, the City Valuer may insist on the provision of a Valuation Report stemming from the certificate contemplated in paragraph 11.1.1.

11.2 Where the SPM City Valuer accedes to the objection made, the prescribed fee paid in terms of paragraph 11.1.2 will be refunded to the person who paid such fee if such person has no service account with SPM. If such person has an account with SPM such amount will be credited to their consumer account.

11.3 The provisions of section 78 (4) of the MPRA apply strictly in the case of any amendments to the General Valuation Roll.

12. METHOD AND TIME OF PAYMENT

12.1. The rates levied on the properties shall be payable:

12.1.1. on a monthly basis; or

12.1.2. annually, before 30 September each year

12.1.3. the municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;

12.2. The municipality must furnish each person liable for the payment of a rate with a written account specifying: -

12.2.1. the amounts due for rates payable;

12.2.2. the date on or before which the amount is payable;

12.2.3. how the amount was calculated;

12.2.4. the market value of the property;

12.2.5. if the property is subject to any compulsory phasing-in discount in terms of paragraph 6 above, the amount of the discount; and

12.2.6. if the property is subject to any additional rate in terms of paragraph 7 above, the amount due for additional rates.

12.3. A person is liable for the payment of the rates, whether or not a written account was received. If a person has not received a written account, that person must make the necessary enquiries from the municipality.

13. RECOVERY OF RATES IN ARREARS

13.1. Tenants and occupiers

13.1.1. If the owner does not pay the amount due for rates levied on a property by the due date shown on the account, the municipality shall recover the amount in full or partially, from a tenant or occupier of the property, after a written notice is served on the tenant or occupier.

13.1.2. The amount to be recovered in terms of paragraph 13.1.1 above is limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property.

13.1.3. Any amount recovered from the tenant or occupier of the property must be set off by the tenant or occupier against any money owned by the tenant or occupier to the owner.

13.1.4. The tenant or occupier of a property must, on request by the municipality, furnish the municipality with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by the municipality.

13.2. Agents

13.2.1. If the amount due for rates levied on a property is not paid by the owner by the due date shown on the account, the municipality shall recover the amount in full or partially, from the agent of the owner of the property, after a written notice is served on the agent.

13.2.2. The amount to be recovered in terms of paragraph 13.2.1 above is limited to the amount of any rent or other amount received by the agent on behalf of the owner, less any commission due to the agent.

13.2.3. The agent must, on request by the municipality, furnish the municipality with a written statement specifying all payments for recent on the property and any other money received by the agent on behalf of the owner during a period determined by the municipality.

13.3. Credit Control and Collection

Where applicable, credit control and debt collection will be applied, in accordance with the approved Customer Services, Credit Control and Debt Collection Policy of the Council, for any outstanding amounts.

13.4. Supplementary Valuation Debits

In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the immediate predecessor in title, as well

as the new owner, will jointly and severally be held responsible for settling the interim account.

13.5. Ownership

Properties, which vest in the Municipality during developments, i.e. open spaces and roads should be transferred at the cost of the developer to the Municipality. Until such time, rates levied will be for the account of the developer.

13.6. Rebate for indigent debtors

The rebate is as determined by the Municipality's policy on indigent debtors.

14. CORRECTION OF ERRORS AND OMISSIONS

14.1. Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the person concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is deemed back to the date on which rates were first levied in terms of the current valuation roll.

14.2. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted used of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

15. DIFFERENTIAL RATES

15.1. Differential rates will be applied on categories of properties as contemplated in Section 8 of the Act and as listed in paragraph 4 of this policy.

15.2. Different categories of properties may pay different rates in the rand based on the market value of the properties.

16. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS AND PHASING IN OF RATES

16.1 During the budget process the accounting officer must inform Council of all costs associated with suggested exemptions, rebates, reductions and phasing in of rates.

16.2 Provisions must be made on the operating budget for: -

16.2.1 the full potential income associated with property rates; and

16.2.2 the full costs associated with exemptions, rebates, reductions and phasing in of rates.

16.3 The revenue foregone should be further appropriately disclosed in the annual financial statements, and the rebates also be indicated on the rates accounts submitted to each property owner.

17. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

17.1 The municipality may grant rebates to organisations that promote local, social and economic development in its area of jurisdiction.

17.2 The Municipality's LED Unit must validate the qualification for the continued application of the rebate and the said rebates must be phased- out within 3 years from the date that the rebate was granted for the first time.

17.3 Rebates will be restricted to a percentage determined by Council from time to time.

18. REGISTER OF PROPERTIES

18.1 The Accounting Officer must ensure that a register of properties is drawn up and maintained as contemplated in section 23 (3) of the Act.

19. NOTIFICATION OF RATES

19.1 A notice stating the date on which the new rates shall become operational as resolved by Council must be displayed and publicised by the Municipality.

19.2 This is to be aligned with the annual budgetary process and shall be subject to the same obligations as contemplated in the MFMA.

20. COMMENCEMENT AND PERIOD OF RATES

20.1 This policy takes effect on the date specified in the Municipal Council resolution.

REVENUE ENHANCEMENT STRATEGY 2015/2016

This document seeks to provide an action plan to maximise cash generation and collection and to spread the burden of taxes more equitably.

FINANCIAL YEAR 2015/2016

SOL PLAATJE MUNICIPALITY – STRATEGIC REVENUE INTERVENTION

Contents

1. Publicity Drive

There is a continued publicity drive to educate consumers on the perils of interim accounts as well as the inconveniences of power supply suspension. The ease with which the municipality handles feedback from the community is also a priority. Communication is key and must flow both ways for the Municipality to provide better services.

We would also like to publicise projects that are on going in respective wards or successes in the city. E.g. in a particular neighbourhood we would like to say that the potholes were fixed last month or a clean-up project is due to start to show the community what we are doing with their money.

Our Policy allows for the write-off/reversal of all interest and penalties reflecting on the account at the time. This may be done in full settlement of the other outstanding amounts. Caution the community that we will be suspending services. Also insert this information in the newsletters sent to accountholders.

2. List of outstanding debt per ward to be provided to the Speaker

This information will be disseminated to the Ward Councillors who will then hopefully convey this information as well as that in point 1 above to their respective constituents. Also, submit this information to the Finance Committee Meeting in the hope of creating a little competition amongst the Councillors.

3. Government Debt

The Municipality has been in close engagement with Government to realise all outstanding debt. This however has been a problem due to insufficient budget support for some government departments. These outstanding amount shave been referred to the various senior managers of the owing government departments and we are pursuing this vigorously.

4. Business Debt

When disconnection of the Businesses takes place, an internal official will accompany the cut team to assist with disconnections and assess what is the actual reason why the businesses are not responding to debt collection notices. The internal official will interact with the client while at the premises for all relevant details that has to be updated and encourage the client to come into the office for the payments and to make arrangements.

5. Conventional Electricity Meters

A programme of replacing all conventional meters where accountholders owe more that R 10 000 has proved very successful. The next round associated with this program is lowering the threshold of debt to R 5 000. This will continue until all of the conventional meters will be replaced in properties with accounts in arrears.

6. Prepayment Meters

All prepayment electricity meter accountholders who owe more than R 10 000 must have their purchase rights suspended until a favourable arrangement has been entered into with SPM.

All prepayment electricity meter accountholders who owe less than R 10 000 will have their purchase value of electricity units reduced to 50 % with the other 50 % going toward their outstanding debt. This will continue until the payment of the debt is realised.

This will also reduce the number of people coming into our service centres because their electricity was blocked.

The rationale behind this is to treat conventional and prepaid consumers equitably.

7. Ensure monthly billing exception reports are properly checked

We have improved our accuracy of billing. However, it is still a risk area that requires our constant monitoring. Key to this is the integrity of our data. A data clean up exercise is underway and is anticipated to identify not only inaccurate data but also to unlock some "lost" revenue.

8. Filling of key vacancies

Three critical vacancies have been advertised. It is hoped that these positions will be filled within the next 3 months. Further vacant critical positions are being submitted for approval to advertise and fill.

9. Audit Queries

A major problem experienced for the last three financial years has been the finding that meters are not being read frequently enough (at least once in a financial year). In 2014/2015 SPM embarked on a major campaign to get readings in etc. Unfortunately, whilst this was a success, there were still some meters which were not read. Faced with this challenge again, the Municipality intends appointing a service provider to assist in ensuring that every meter in the SPM area is read at least once this year. Beyond that, further strategies are being put into motion to ensure that this problem does not arise again.

10. Property Tax

The introduction of a credible GIS and the implementation of the General Valuation Roll has exposed some revenue misses. All properties within the SPM boundary are now accounted for in terms of the Land Audit undertaken. This land audit forms the basis of the valuation roll.

11. Conclusion

The proposals herein are sought to be implemented as a collective as no one strategy will necessarily yield success. Furthermore, I have excluded items such as policy revision, process flow and office accommodation and other long term strategies as this proposal is to bring about the achievement of the target within the next six months and is believed to be implementable and attainable within that period.

SOL PLAATJE LOCAL MUNICIPALITY

We Serve

LONG TERM FINANCIAL PLANNING POLICY

TABLE OF CONTENTS

1. INTRODUCTION

In essence a financial plan encompasses the development, implementation and evaluation of a plan for the provision of basic municipal services and capital assets. Such a plan aims to help Municipal Councillors and other decision makers make informed choices about the provision of basic services and capital assets and to promote stakeholder participation in the process.

The financial plan should set out the Municipality's estimated expenditure over the medium-term, based on its goals and objectives, as well as the resources necessary to achieve this. In addition, the financial plan must set out where funding for the planned expenditure will come from.

The compilation of a financial plan is a core component of an Integrated Development Plan (IDP). The envisaged timeframe allocations for a long term financial plan are:-

- Immediate (12 months).
- Medium term (5 years).
- Long term (15 years onwards).

2. PURPOSE OF THIS DOCUMENT

This policy sets outs the principles for determining the following:-

The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-

(a) Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of the Municipality.
(b) Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;
(c) Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and
(d) Identify new revenue sources as funding for future years.

3. DEFINITIONS

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003), has the meaning so assigned, and:

"Accounting Officer (AO)" – means the Municipal Manager and vice versa;

"Act (MFMA)" – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

''basic municipal service'' means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget Steering Committee", a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;

''budget-related policy'' means a policy of a municipality affecting or affected by the annual budget of the municipality, including –

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
(c) the credit control policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Chief Financial Officer (CFO)" – means an officer of the Municipality, designated by the Municipal Manager to be administratively in charge of the financial affairs of the municipality;

"Council" or "Municipality" – means the Municipal Council of Example Municipality as referred to in Section 18 of the Municipal Structures Act;

"Creditor" – in relation to a municipality, means any person or service provider to whom money owes by the Municipality;

"Debt" – means –

(a) monetary liability of obligation created by a financing agreement, note, debenture, bond, overdraft or the issuance of municipal securities; or
(b) a contingent liability such as that created by guaranteeing a monetary liability or another.

"Financing Agreement" means any long-term agreement, lease, instalment purchase contract or hire purchase agreement under which the Municipality undertakes to pay the capital cost of property, plant or equipment over a period of time;

"Financial year" – means a year ending 30 June;

"Financial Statement" – means statements consisting of at least –

(a) a balance sheet (statement of financial position);
(b) an income statement (statement of financial performance);
(c) a cash-flow statement;
(d) any other statements that may be prescribed; and
(e) any notes to these statements.

“IDP” means the Integrated Development Plan;

“LTFP” means Long Term Financial Plan;

‘‘long term debt’’ means debt repayable over a period exceeding one year;

“MBRR” means the Municipal Budget and Reporting Regulations;

“MFMA” means the Municipal Finance Management Act No 56 of 2003;

“MTREF” means Medium Term Revenue and Expenditure Framework, as prescribed by the MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

“Municipal debt instrument” – means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including virtual or electronic evidence of indebtedness intended to be used in raising debt;

‘‘municipal tariff’’ means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

‘‘National Treasury’’ means the National Treasury established by Section 216(1) of the Constitution and section 5 of the Public Finance Management Act;

“Short Term” refers to a period up to 3 (three) years;

“Medium Term” refers to a period between 3 (three) and 5 (five) years;

“Long Term” refers to any period longer than 5 (five) years.

“Security” – means a lien, pledge, mortgage, cession or other form of collateral intended to secure the interest of a creditor; and

“Short Term Debt” – means a debt which is repayable over a period not exceeding 12 months.

4. OBJECTIVES

The annual updated LTFP should identify the following:

(a) Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;
(b) Future operating revenue and expenditure projections based on assumptions and parameters;
(c) Future affordability of projected Capital Plans;
(d) The level of infrastructure development required to achieve the Municipal priorities, within the funding restrictions; and
(e) External funding requirements in respect of long term debt.

5. APPROVAL AND EFFECTIVE DATE

The policy will be effective as from 1 July 2015.

6. POLICY AMENDMENT

The Accounting Officer must:

(a) at least annually review the implementation of this Policy; and
(b) When the AO considers it necessary, submit proposals for the amendment of this Policy to the Council.

The review of this policy and any amendment should be made with due consideration and in Conjunction with the annual review of the budget related policies as prescribed in the Municipal Budget and Reporting Regulations, 2008.

7. RELATIONSHIP WITH OTHER POLICIES

This policy needs to be read in conjunction with other relevant adopted policies of the municipality, including the following:

- Delegation of Powers;
- Accounting Policies;
- Credit Control and Debt Collection Policy;
- Tariff and Indigent Policy;
- Property Rates Policy;
- Budget Implementation and Monitoring Policy;

8. REFERENCES

The following references were observed in compiling this document:

- Municipal Finance Management Act, 2003
- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Accounting Standards Board
- MFMA Circular 18 & 44
- MFMA Budget Circular 51
- Municipal Budget and Reporting Regulations, 2008
- Government Gazettes (30013 & 31021)
- Generally Recognised Accounting Practice

9. PRINCIPLES

The policy is based on the following principles:-

(a) Viability and sustainability of the municipality;

(b) Optimisation of the municipal revenue basket, taking into consideration the following:

- Grant funding is optimally utilised and managed; and
- Effective credit control and debt collection, ensuring optimal revenue collection in the context of the socio-economic environment.

(c) Continuous improvement and expansion in service delivery framework, and

(d) Effective financial strategies.

During the process of compilation of the LTFP the Municipality should take cognisance of the following additional factors regarding the process:-

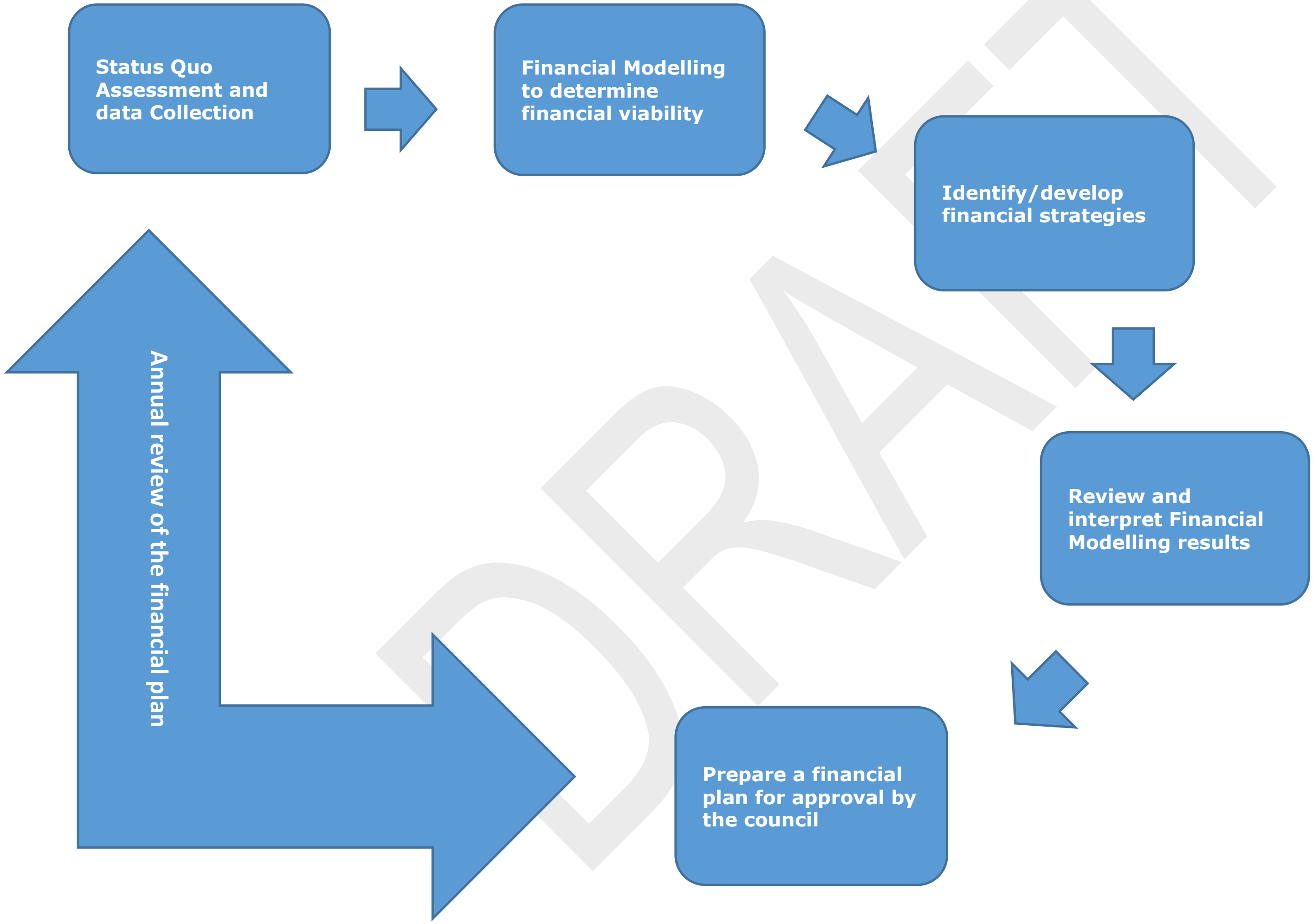
(a) A collaborative and visionary process. The LTFP does not just forecast the status quo into the future but considers different possible scenarios.

(b) A combination of technical analysis and strategizing. Long-term forecasts and analysis are used to identify long-term imbalances and financial strategies are developed to counteract these imbalances or inequities.

(c) An anchor of financial sustainability and policy development. The plan develops big-picture and long-term thinking among elected and appointed Councillors and Officials and also aims to ensure alignment and credibility of the IDP.

10. DEVELOPMENT OF A FINANCIAL PLAN

10.1 Process map



10.2 Status Quo assessment and data collection

The objective of the status quo report is to assess the current financial position and to identify the key challenges faced by the Municipality. The status quo report will aim to identify issues which impact on the overall financial stability of the Municipality and will include a historical analysis and assessment of financial results (based on financial statements).

Perform a Status Quo assessment under the following criteria:-

(a) The Municipality's current financial status;
(b) Audit Outcome for prior financial years;
(c) Current revenue sources, internal and external proportion of revenue;
(d) Main cost drivers impacting on the sustainability of the Municipality;
(e) Determine the main expenditure categories and the scale of each;
(f) Identify internal and external factors, which influence expenditure levels;
(g) Loan and liability obligations;
(h) Status of municipal infrastructure;
(i) Repairs and maintenance and refurbishments as per the Infrastructure Asset Management Plans;
(j) Distribution Losses;
(k) Reviewing the Municipality's funding requirements as per:

- financial plan; and
- IDP.

(l) Ability to finance capital expenditure;
(m) Trends and the implications including the financial problems; opportunities and constraints/risks facing the Municipality;
(n) Service backlogs and population projections in order to determine service needs;
(o) Powers and Functions of the Municipality; and
(p) Summarise the gaps and challenges to be addressed in the financial and funding plan.

In reviewing the current revenue sources in terms of:

(a) Existing service charges and fees.
(b) Options for increasing user charges and fees based on:

- the impact of inflation;
- other cost increases;
- the adequacy of the coverage of costs and current competitiveness of rates;
- number of registered indigents; and
- impact on households, particularly poorer households.

(c) The nature and extent, purpose and predictability of National and Provincial Grants and Agency Payments.
(d) Future opportunities and threats in terms of revenue:
(e) Other revenue opportunities, such as leases and the sale of non-core assets.
(f) Revenue constraints, such as maximum service charges and poor payment levels.
(g) Potential threats to Municipal revenue, including changes in Grant allocations.
(h) Potential expansion of the current revenue base.
(i) Factors, which influence revenue collections.

Other non-financial issues to consider during status quo analysis include:

(a) Proposed organisational structure and assessing its cost implications;
(b) Proposed community projects and programmes by Departments, such as Housing and Health, and assessing their cost implications; and
(c) Current state of Information Communication and Technology

10.3 Financial Modelling

Upon completion of the status quo assessment, resulting in an understanding of the Municipality's financial position, the next phase is to determine the Municipality's financing need over the medium term:-

(a) Develop a financial forecast model to identify immediate opportunities and risks; and
(b) To identify future opportunities and risks.

This entails determining what expenditure the Municipality plans to undertake over the medium-term and what its financing requirements are likely to be and how these can be funded either internally or externally.

As the Municipality evolves and expands its service delivery framework, so do those of the National Government. Long term community development and economic development projects will therefore also be included under this phase.

10.4 Financial Strategies

A key feature of the LTFP is to give effect to the Municipality's financial strategies. These strategies should include:

(a) Increasing funding for asset maintenance and renewal;
(b) Continuous improvement to the financial position;
(c) Ensuring affordable debt levels to fund the capital budget;
(d) Maintaining fair, equitable and affordable rates and tariff increase;
(e) Maintaining or improving basic municipal services;
(f) Achieving and maintaining a breakeven/surplus Operating budget; and
(g) Ensuring full cost recovery for the provision of internal services.

10.5 Analyse results

For the short-term needs of the Municipality based on the Financial Modelling, perform scenario planning to identify the optimum balance between revenue collection and municipal spending, taking into account the following:-

(a) Potential revenue enhancement strategies which may have an immediate impact on the revenue base of the Municipality;
(b) Evaluate cost saving mechanisms to minimise the cost of effective service delivery; and
(c) Current infrastructure investments and maintenance programs which may influence revenue streams or the cost of service delivery.

10.6 Prepare financial plan for approval

Once the Municipality has finalised the prioritisation of initiatives and projects; a comprehensive long term financial plan will have to be developed to indicate the envisaged impact it will have on the financial status of the Municipality. An overall financial forecast will then have to be done in order to illustrate the projected result of the implementations throughout the five year period.

Although a long term financial plan provides a forecast of potential outcomes, it has to be emphasised that the success of the financial plan remains in continuous revision. As is the case with any forecast model, the financial plan should be seen as a moving target and should be subject to honest and realistic assessments of successes and failures on a regular basis.

This phase involves finalising a medium-term income and expenditure plan based on the various alternative service delivery options.

A key component in determining future options, potential problems and opportunities is the forecast of revenues and expenditures. The revenue and expenditure plan essentially involves combining the forecasting of revenues and the forecasting of expenditures into a single financial forecast.

Finalisation of the Financial Plan includes collating all short, medium and long term financial data and develop a long term financial plan that:-

(a) Identifies future revenue projections based on current and projected revenue streams, as well as those projects required to achieve these projections;
(b) Identifies future expenditure frameworks and cost of service delivery based on current and projected expenditure patterns;
(c) Identifies the level of infrastructure development required to achieve the municipal priorities, within the funding restrictions; and
(d) Identifies external funding requirements required for capital investment

10.7 Annual Review

The success of the LTFP lies in continuous revision:

The financial plan must be reviewed on an annual basis as part of the annual review of the IDP and updated with at least the following information:-

- any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Municipality;
- any changes in the economic and socio economic environment, other than previously predicted, which may influence the financial status of the Municipality;
- any changes in the revenue base or composition which may have an impact on the financial viability of the Municipality;
- any changes in the national or municipal priorities as previously identified; and
- any factors which may have an impact on the ability to implement previously identified project.

11. IMPLEMENTATION AND REVIEW OF THE POLICY

This policy shall be implemented once approved by Council. All future Long Term Financial Planning must be considered in accordance with this policy.

In terms of section 17(1) (e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

INCA
Portfolio Managers

Sol Plaatje Local Municipality

Independent Financial Assessment
Against the background of the Municipality's Demographic, Economic & Household Infrastructure Situation

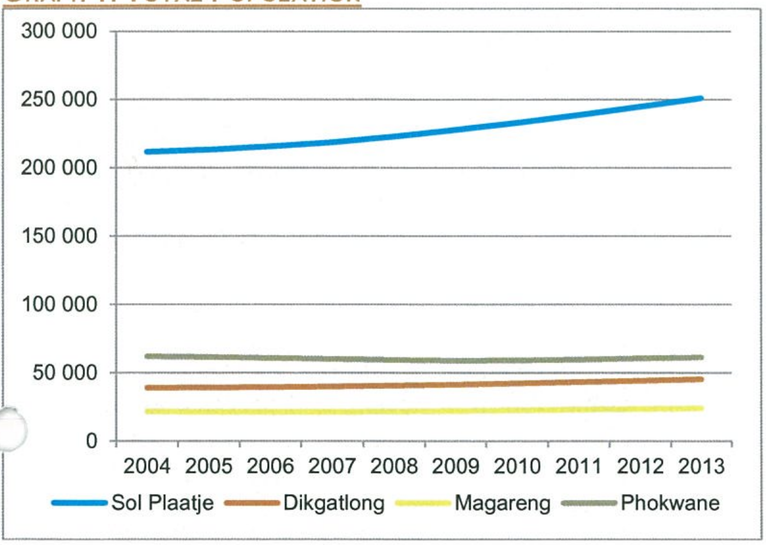
DRAFT REPORT

Prepared by
Inca Portfolio Managers
Report dated October 2014

1. Key perspectives related to the Demography of Sol Plaatje Local Municipality

Population

GRAPH 1: TOTAL POPULATION



Sol Plaatje has a total population of 250,996 (2013) people which represents 66% of the people living in Frances Baard District Municipality. The municipality has the highest population of the four municipalities in the District.

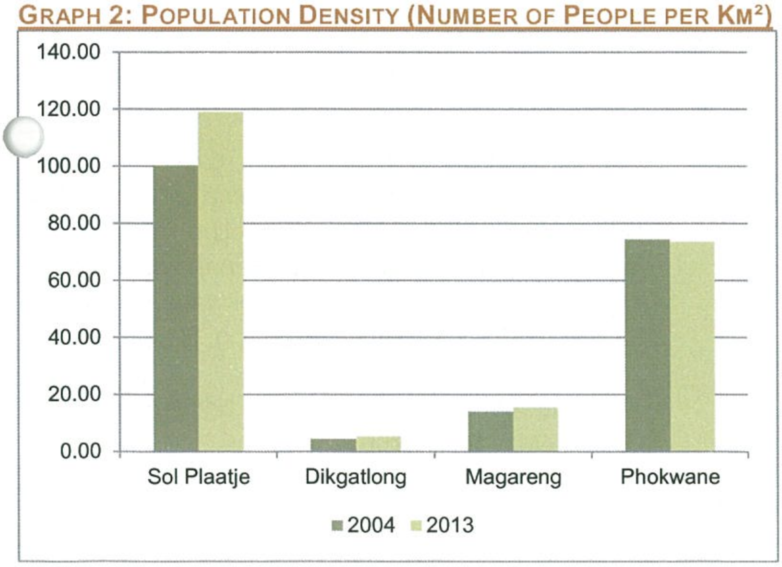
Sol Plaatje's current population growth rate of 2.6% is the highest in the District (Magareng LM – 2.3%; Dikgatlong LM – 2.2% and Phokwane LM – 1.5%). This population growth rate is higher than the province's (Northern Cape) 1.7% and the country's 1.4%.

The total population reflected in Sol Plaatje's IDP is 248,042 (Census 2011).

TABLE 1: TOTAL POPULATION

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sol Plaatje	***211 690***	***213 316***	***215 568***	***218 627***	***222 928***	***227 716***	***233 034***	***238 592***	***244 685***	***250 996***
Dikgatlong	39 030	39 139	39 396	39 843	40 612	41 467	42 389	43 320	44 286	45 273
Magareng	21 640	21 493	21 430	21 464	21 735	22 084	22 520	22 994	23 505	24 046
Phokwane	62 099	61 536	60 950	60 058	59 455	59 011	59 160	59 727	60 519	61 421
Frances Baard DM	**334 460**	**335 483**	**337 343**	**339 991**	**344 730**	**350 279**	**357 103**	**364 634**	**372 995**	**381 737**

GRAPH 2: POPULATION DENSITY (NUMBER OF PEOPLE PER KM²)



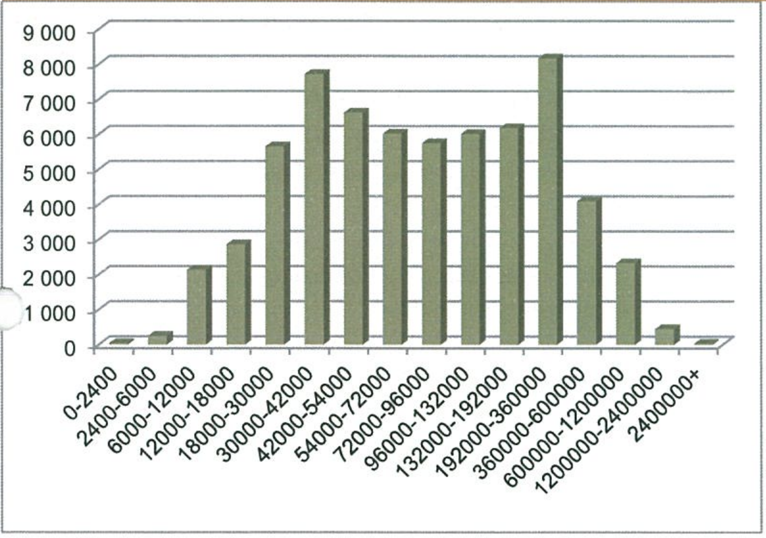
Sol Plaatje LM covers an area of 3,145 km^2 and is the highest densely populated area with a population density of 119.02 people/km^2 (Phokwane – 73.54 people/km^2; Magareng – 15.57 people/km^2 and Dikgatlong – 5.25 people/km^2).

Table 3 compares the average annual per capita income across municipalities in the France Baard District over time.

TABLE 3: ANNUAL PER CAPITA INCOME IN CURRENT PRICES R: SOL PLAATJE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sol Plaatje	23 828	26 111	28 956	32 204	34 536	35 214	36 672	38 690	40 854	42 238
Dikgatlong	14 497	15 962	17 603	19 155	19 986	20 050	20 393	21 033	23 239	24 078
Magareng	13 998	15 661	17 603	19 497	20 626	20 811	21 520	22 700	25 538	27 929
Phokwane	18 315	20 350	22 754	25 057	26 388	26 385	27 248	28 763	31 396	33 262

GRAPH 5: NUMBER OF HOUSEHOLDS PER INCOME CATEGORY, 2013 SOL PLAATJE



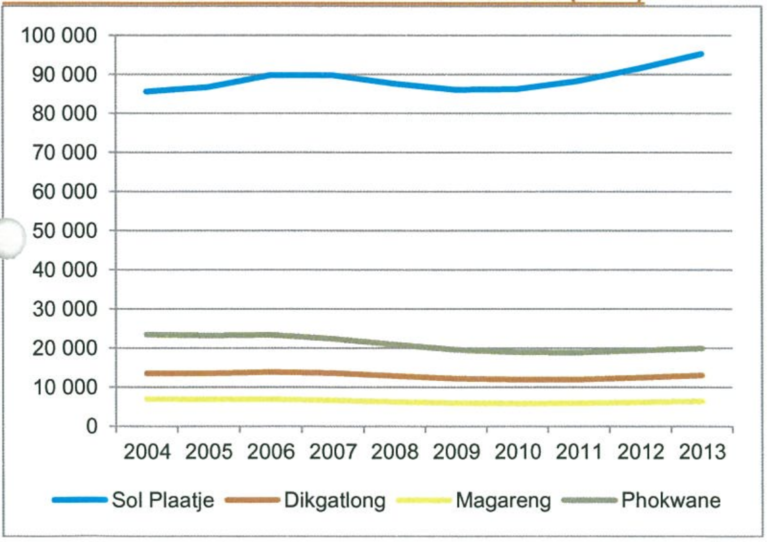
Graph 5 illustrates the distribution of household income.

The graph indicates that 17.0% of households in Sol Plaatje earn an annual income of below R 30,000 p.a. i.e. those households that could potentially benefit from the equitable share contribution.

The highest concentration of 24.7% currently earns between R 30,000 and R 42,000 bracket and between R 192,000 and R 360,000 bracket p.a.

Economically Active Population

GRAPH 6: ECONOMICALLY ACTIVE POPULATION (EAP)



Graph 6 provides a perspective as to the growth in the number of **Economically Active People**[1] in the four municipalities within the jurisdiction of Sol Plaatje DM.

From this perspective, Sol Plaatje LM has the highest number of economically active population which is almost more than five times the size of Phokwane LM, Dikgatlong LM and Magareng LM **(Table 4).**

[1] Definition: The economically active population (EAP) is defined as the number of people who are able, willing and who are actively looking for work and who are between the ages of 15 and 65. It thus includes both employed and unemployed people.

2. A snapshot of the Local Economy

Gross Value Add

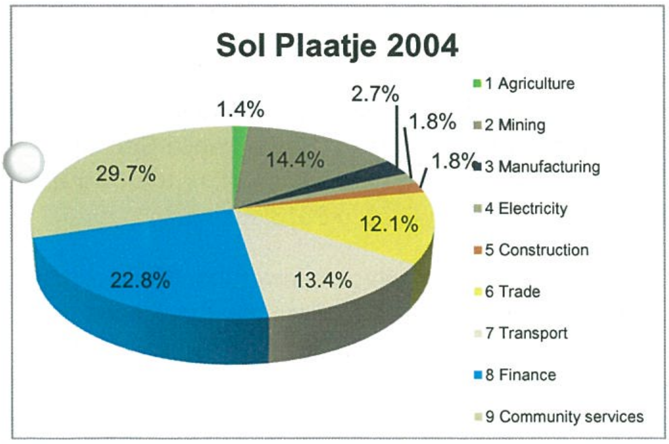
Sol Plaatje's Gross 2013 Value Add (GVA), which reflects the monetary value of the local economy, is R 19.86 billion per annum in current prices or R 11.53 billion in constant (2005) prices. This represents 83.2% of the R 23.87 billion Frances Baard economy and 28.9% of the R 68.70 billion Northern Cape economy, the "lowest economic hub in SA". Of the total GVA generated by the District, Sol Plaatje contributes the highest GVA of 83.2% followed by Phokwane 10.8%, Dikgatlong 3.8% and Magareng 2.3%.

Definitions of 9 Sub Sectors

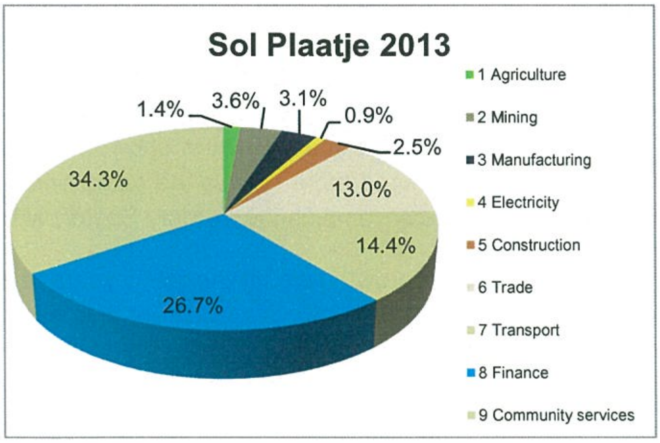
Agriculture - Includes all agriculture, hunting, forestry and fishing.
Mining - Includes all minerals and quarrying.
Manufacturing - Includes the processing, refining and value add to all primary agricultural and mining products, inclusive of the chemical, rubber, plastic, glass and metal industries. Manufacturing of household goods, plant, equipment and transport goods are also included. The last part of beneficiation that is included in this broad sector classification of manufacturing is the printing, publishing, recording and communication industry.
Electricity - Includes the generation, manufacture and distribution of sources of energy
Construction - Includes all building and or demolition of accommodation, manufacturing and retail civil structures and related services, such as plumbing, electrical contracting, painting, decorating and air conditioning.
Trade - Includes wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods, hotels and restaurants.
Transport - Includes all transport, storage and post and telecommunication
Financial - Includes financial intermediation, insurance, real estate and business services as well as rental of machinery and equipment, whilst the computer related services, research and services such as advertising, legal, accounting and other professional consulting services are also included.
Community Services - Includes community, social and personal services such as public administration and defence activities, educational services, health and social work, washing/cleaning, beauty treatment and funeral services.

GRAPH 9 & 10: GROSS VALUE ADDED BY REGION (SECTORS SHARE OF REGIONAL TOTAL (%))

2004 Constant GVA: R 9 766 million

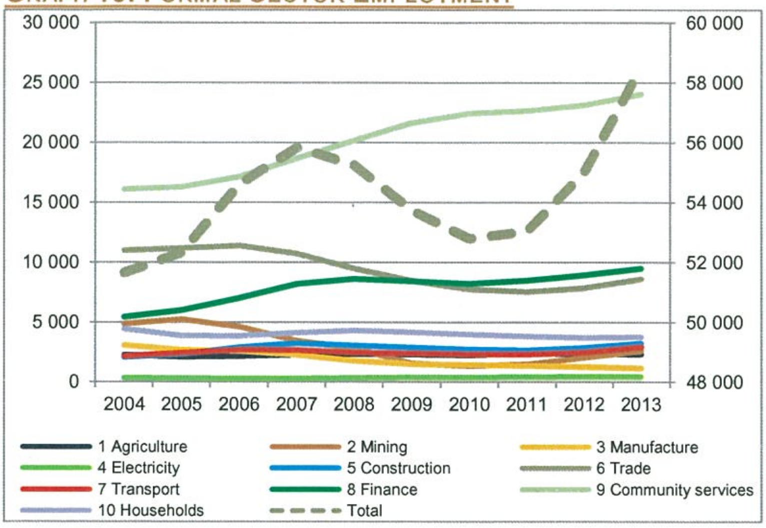


2013 Constant GVA: R 11 530 million



Employment

GRAPH 13: FORMAL SECTOR EMPLOYMENT



Graph 13 indicates that over the past ten years the total number of people formally employed in Sol Plaatje has increased from 51 640 in 2004 to 58 530 in 2013.

Community service continues to be the largest provider in terms of employment opportunities for Sol Plaatje LM with close to 25 000 people employed within the sector.

Furthermore Finance (9 489) and Trade (8 611) are also significant employers, with each sector currently employing between 8 000 and 10 000 people.

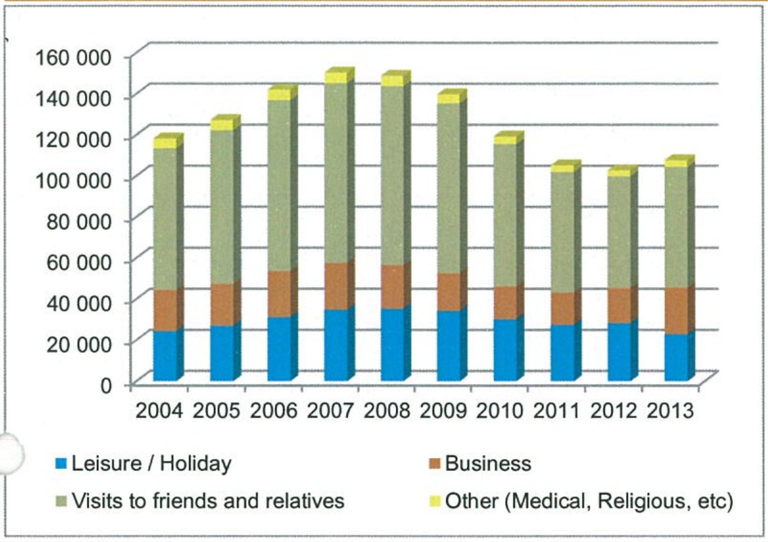
TABLE 6: FORMAL SECTOR EMPLOYMENT – SOL PLAATJE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture	2 261	2 108	2 163	2 291	2 330	2 324	2 258	2 384	2 371	2 302
Mining	4 850	5 235	4 624	3 450	2 822	1 574	1 342	1 494	2 044	2 572
Manufacturing	3 063	2 663	2 568	2 264	1 775	1 512	1 426	1 372	1 267	1 176
Electricity	330	313	291	276	327	384	381	407	439	452
Construction	2 063	2 313	2 880	3 220	3 041	2 874	2 710	2 647	2 835	3 215
Trade	10 967	11 161	11 388	10 723	9 485	8 475	7 751	7 542	7 844	8 611
Transport	2 163	2 411	2 696	2 654	2 455	2 400	2 319	2 301	2 463	2 924
Finance	5 407	5 965	7 006	8 183	8 587	8 408	8 205	8 460	8 914	9 489
Community services	16 098	16 269	17 136	18 650	20 147	21 620	22 415	22 633	23 130	24 039
Households	4 437	3 873	3 842	4 110	4 281	4 172	3 976	3 798	3 710	3 749
Total	**51 640**	**52 312**	**54 593**	**55 822**	**55 251**	**53 745**	**52 783**	**53 039**	**55 017**	**58 530**

Tourism

Although tourism per-se is not recognised as an economic sub-sector on its own, but split between a number of the nine economic sectors, its importance in the local economy of a municipality should not be under estimated.

GRAPH 15: NUMBER OF TRIPS BY PURPOSE OF TRIP – SOL PLAATJE



Graph 15 is an indication of the main reasons for people visiting Sol Plaatje LM - be that for leisure, business or visiting family/friends.

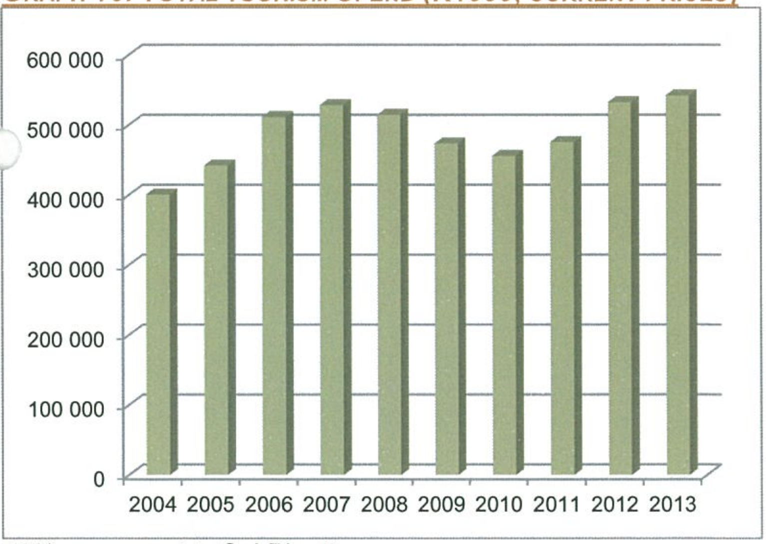
The pattern of total visits shows a varied pattern since 2004. Following a steady growth in the period 2004 to 2007 to a peak of 150 422 visits. Since then, there has been a significant decline to 107 695 visits in 2013.

The Visits to friends and relatives trip constitute the highest proportion, i.e. 55% of all trips in 2013 as can be observed in the **Table 7** below.

TABLE 7: TRIP PURPOSE AS A PROPORTION OF TOTAL TOURISM TRIPS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Leisure / Holiday	20.6%	21.1%	21.9%	23.1%	23.7%	24.4%	25.2%	26.0%	27.4%	21.2%
Business	17.1%	16.1%	15.9%	15.3%	14.4%	13.3%	13.6%	15.1%	16.7%	21.3%
Visits to friends and relatives	58.3%	58.8%	58.7%	58.2%	58.6%	59.1%	58.1%	55.8%	53.0%	54.5%
Other (Medical, Religious, etc)	4.0%	3.9%	3.6%	3.5%	3.4%	3.1%	3.1%	3.0%	2.9%	3.0%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

GRAPH 16: TOTAL TOURISM SPEND (R1000, CURRENT PRICES)



The gross amount spent by people visiting the Sol Plaatje LM was R 0.54 billion for 2013, while per person/visitor normally spent R 5,040 on average.

This gross amount spent represents 3% of the Local Gross Value Add for Sol Plaatje LM.

Sol Plaatje LM tourism spend showed an increase from R 0.40 billion in 2004 to R 0.53 billion in 2007 as depicted in **Graph 16.** There were declines in tourism spend from a peak of R 0.53 billion in 2007 to the lower rate of R 0.46 billion in 2010, however an increase was recognised from the lower rate in 2010 to the current rate of R 0.54 billion in 2013. Of the total tourism spend in the Frances Baard DM; 82% was spent in Sol Plaatje.

3. Household Infrastructure Service Delivery

A comprehensive perspective of the ability of Sol Plaatje Local Municipality to provide, maintain and operate infrastructure services would require an in depth investigation into the technical and operating capacity as well as performance of the municipality. This is outside the mandate of this assignment and we will make use of existing available information to obtain a proxy of such a perspective.

At the core of infrastructure asset management is the acknowledgement that linkages exist between policy, planning (e.g. service level at which infrastructure is provided), the cost of provision of such infrastructure and the replacement thereof after expiry of its useful life, operating performance, maintenance strategies and customer satisfaction, all within the affordability levels of consumers and the municipality to ensure long term sustainability. In the absence of a holistic approach to asset management a municipality assumes a high risk of failure in future, unless it has the resources to rectify the situation, which in most instances is not the case.

In this report we will analyse the infrastructure service provision of the municipality and when assessing the backlogs we are guided by the RDP standards of level of service.

We will assess the non-revenue water to obtain an indication of the operational performance of the municipality.

Infrastructure Index

In this report use is made of the Infrastructure Index as developed by *iHS Global Insight in its Regional Explorer* to compare the region's access to household infrastructure.
The infrastructure index is a population-adjusted, access-to-service weighted index which measures a region's overall access to household infrastructure. The index ranges from 0 to 1, where 0 implies that every household in the region is below the minimum level of access to infrastructure, and 1 implying that every household in the region is at the minimum level of access to infrastructure.

For each infrastructure category, a sub-index was created by weighting the different levels of service. For example, the sanitation sub-index counts 1 for each household that has a flush toilet, but only 0.1 for each household on the bucket system. Throughout the sub-indices, households without any infrastructure receive a zero weighting. For example, households with no toilet receive a weight of zero. By summing the households in this manner and dividing by the total number of households in the region, a total percentage of 'serviced' households for each of refuse, sanitation, water, electricity and housing are derived at.

These sub-indices are multiplied by a weighting which considers the 'importance' of that particular service. By this method, a final figure that measures the level of access to household infrastructure in the municipality is determined.

The 'importance' weightings are derived from the cost of providing the basic (or minimum) level of access – as defined by the relevant free basic services. In other words, the index assumes that a service is more important if the cost of providing it at a basic level is higher.

The final weightings are as follows:

Service	Final Weight
Electricity	8.0%
Water	20.0%
Refuse	18.0%
Sanitation	16.0%
Formal Housing	38.0%

TABLE 08: NUMBER OF HOUSEHOLDS WITH "ABOVE" AND "BELOW" RDP SERVICE LEVEL INFRASTRUCTURE

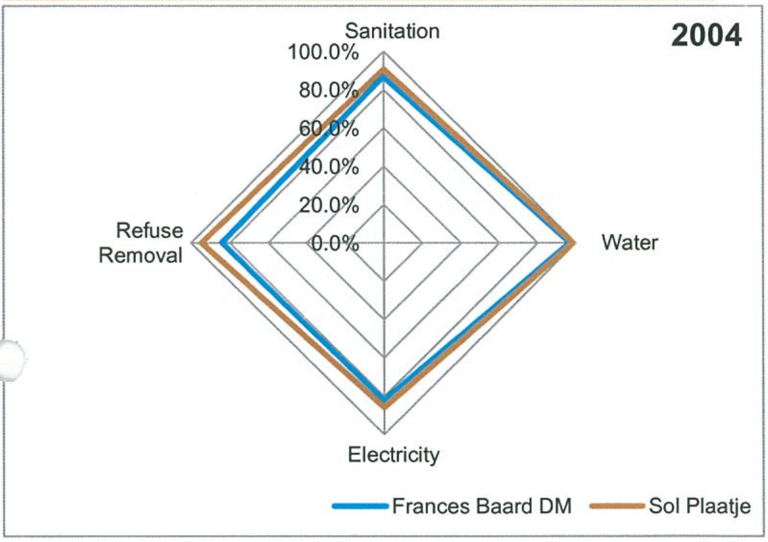
Infrastructure	Frances Baard DM	%	Sol Plaatje	%
Above RDP Level				
Sanitation	30 883	77.0%	13 880	77.0%
Water	35 254	87.9%	16 358	90.7%
Electricity	30 050	74.9%	12 277	68.1%
Refuse Removal	24 129	60.2%	11 581	64.2%
Below RDP Level or None				
Sanitation	9 222	23.0%	4 152	23.0%
Water	4 851	12.1%	1 674	9.3%
Electricity	10 055	25.1%	5 755	31.9%
Refuse Removal	15 977	39.8%	6 451	35.8%
Total No. of Households	40 106	100.0%	18 032	100.0%

With regards to water and refuse removal Sol Plaatje performed better than the Frances Baard District Municipality as a whole and they are on par with regards to sanitation.

Infrastructure Diamond

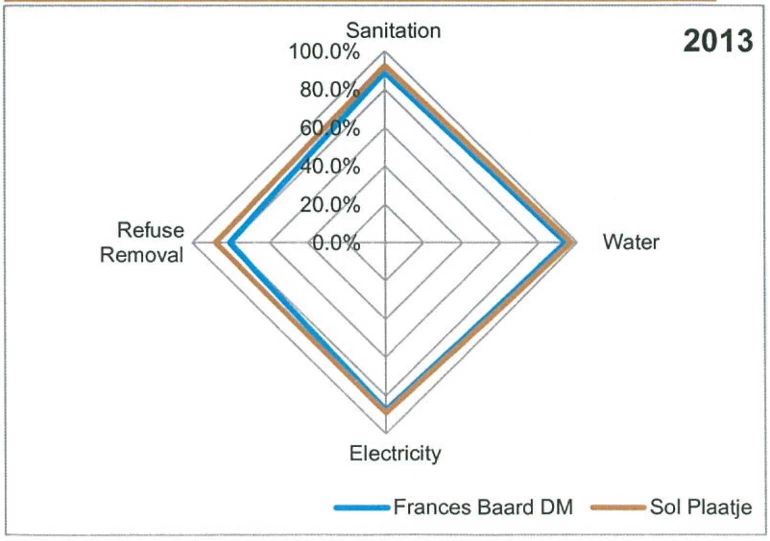
A summary of the provision of the four infrastructure services, viz. Sanitation, Water, Electricity and Refuse Removal by the Sol Plaatje Local Municipality in comparison to the Frances Baard District Municipality as a whole is best illustrated by the infrastructure diamond for the state of provisioning in 2013 as compared to the position in 2004.

GRAPH 18: INFRASTRUCTURE DIAMOND: SOL PLAATJE 2004



In 2004, Sol Plaatje Local Municipality's infrastructure provision for all the four services exceeded that of the Frances Baard District Municipality.

GRAPH 19: INFRASTRUCTURE DIAMOND: SOL PLAATJE 2013



In 2013, Sol Plaatje Local Municipality's infrastructure provision for all the four services exceeded that of the Frances Baard District Municipality.

A comparison of household income and level of service is presented in the table below:

TABLE 09: COMPARISON OF HOUSEHOLD INCOME AND LEVEL OF SERVICE

	Frances Baard DM	Sol Plaatje
% Household above the Equitable Share Bracket	80.9%	83.0%
% Households with level of service at RDP or higher	81.7%	85.2%

In Sol Plaatje Local Municipality the percentage of households with access to a level of service of RDP or higher is higher than the percentage of households with income above the Equitable Share Bracket, i.e. 83.0% vs. 85.2%. The gap between household level of services and household income in the Sol Plaatje Local Municipality is currently 2.2 percentage point. Based on this gap, Sol Plaatje may experience affordability concerns in the future.

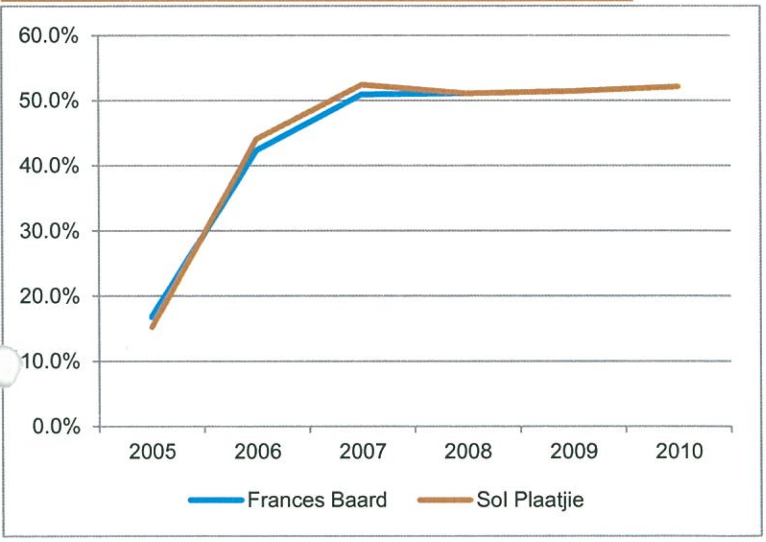
NON-REVENUE SERVICES

An indicator of municipal infrastructure asset management performance is the non-revenue services in the municipality. This could include all unaccounted for services, including, non-billed services, losses, theft, etc.

Non-revenue water includes water lost through leakages in inadequate infrastructure, faulty meters, water used by way of illegal connections and water used but not billed.

In the case of water, the Water Research Commission reports the non-revenue water for the period 2005 to 2010. An assessment can be made based on the performance of the Sol Plaatje Local Municipality

GRAPH 22: NON-REVENUE WATER: SOL PLAATJE LM



The non-revenue water for the Sol Plaatje Local Municipality was an unacceptably high percentage of 52.1% in 2010. In both Frances Baard as well as Sol Plaatje the percentage of Non-revenue Water has increased since 2005. Clearly this is not sustainable and needs to be addressed as a matter of urgency.

Household Infrastructure

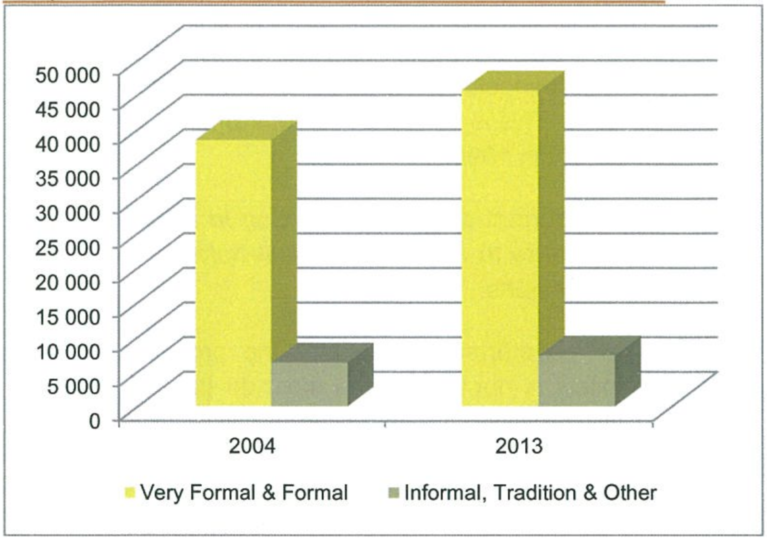
Housing

Any analysis of the different housing types (dwelling units) in the municipality for the period between 1996 and 2013 is made. Dwelling units are distributed into 5 categories:

Very Formal Dwellings: Households that fall into this category are structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling.

Formal Dwellings: Households that fall into this category are considered to be a structure built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flat-let elsewhere etc., but without running water or without a flush toilet within the dwelling.

Graph 25: Number of Dwelling Types: Sol Plaatje



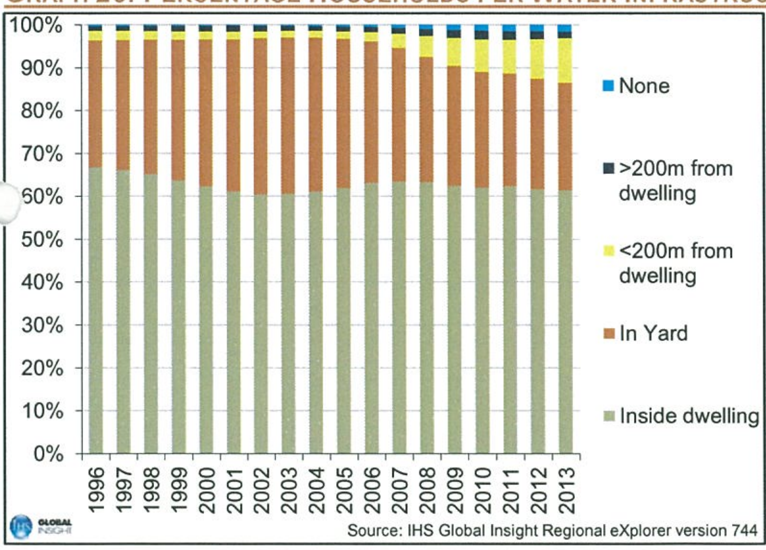
The formal housing stock in the Sol Plaatje Local Municipality has grown by 8 229 units, between 2004 and 2013. The backlog in absolute numbers has however also grown marginally by app. 1 033 units. The ***housing backlog in the Sol Plaatje Local Municipality*** in absolute numbers was ***app 7 360 units*** in 2013.

Water

The minimum level of access to water regarded as the RDP level, are households with access to piped water within 200m of their dwelling. Houses that have access to piped water further than 200m from the dwelling, or households that do not have access to formal piped water are considered to form part of the water backlog. Households at or above the RDP level are not considered to be part of the water supply backlog. Above RDP level includes all households that have access to piped water within their dwelling, within their yard or within 200 meters of their dwelling.

An illustration of the different types of water infrastructure for the Sol Plaatje Local Municipality during the period 1996 and 2013 is illustrated below:

Graph 26: Percentage Households per Water Infrastructure: Sol Plaatje



The percentage of households in the Sol Plaatje Local Municipality with piped water at or above RDP level of standard was 96.8% in 2013; a decrease from the 98.6% in 1996. The water backlog in Sol Plaatje Local Municipality has increased during the 17 year period. The current ***water backlog in absolute terms amounts to app. 1 674 households***.

Sanitation

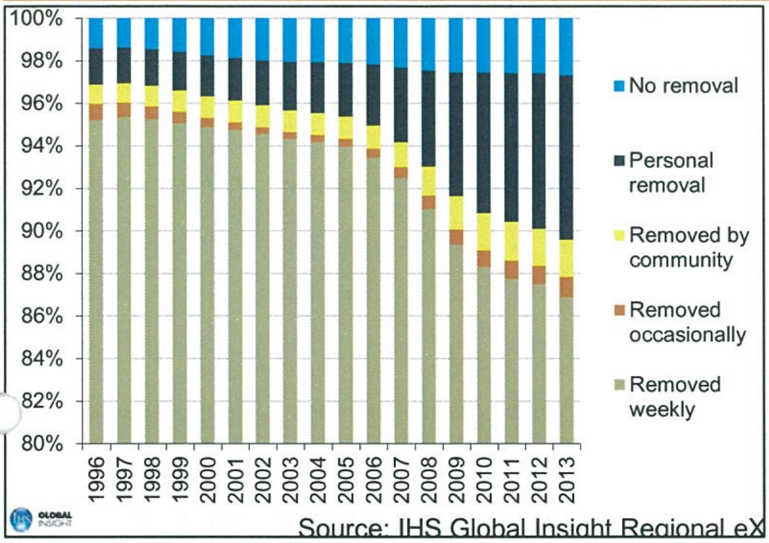
The household sanitation infrastructure in the province was analyzed. The hygienic toilet categories include flush toilets, chemical toilets and pit latrines with a ventilation pipe. Hygienic toilets exclude pit toilets and bucket systems which are both classified as unhygienic.

The Sanitation Backlog represents the number of households without access to a hygienic toilet - this implies that they have no formal toilet or that they make use of either a pit toilet or bucket system.

- o No refuse removal

Access to formal refuse removal implies that refuse is removed by a local authority – this includes removal by private sector companies. The share of households with access to formal refuse removal refers to the percentage of all households in the region that have access to this service. If a household does not have access to these services they are classified as not having access to formal refuse removal. This is known as the refuse removal backlog.

GRAPH 29: PERCENTAGE HOUSEHOLDS PER REFUSE REMOVAL SERVICE: SOL PLAATJE



In the Sol Plaatje Local Municipality the percentage of households with formal refuse removal services was 87.8% in 2013, compared to 96.0% in 1996, a proportional deterioration of the situation. The majority of households (86.9%) receive a weekly refuse removal service from the municipality.

The current refuse removal backlog amounts to app. 6 451 households or 12.2% of all households. It is estimated that a large proportion of these households are located in non-urban areas of the municipality, where refuse removal is not expected to be undertaken by the municipality.

Concluding Remarks

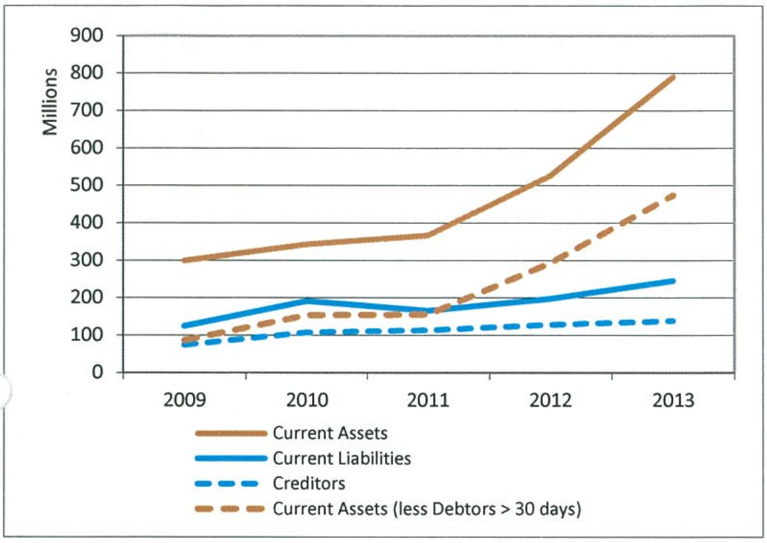
From the perspective of the provision of household infrastructure the Sol Plaatje Local Municipality exhibits the following Strengths and Weaknesses:

STRENGTHS	WEAKNESSES
• In relative terms the Sanitation backlogs has declined between 1996 and 2013 • The provision of Sanitation and Electricity has improved significantly between 1996 and 2013 • The municipality has performed better than the district with regards to the overall provision of 4 services • In absolute numbers the provision of formal housing was almost more than eight times the growth in backlogs	• The number of households with a level of service at RDP level or higher (85.2%) exceeds the number of households with income exceeding the equitable share bracket (83.0%). This point to potential affordability concerns in the future • Non-revenue water is unacceptably high • In proportional terms the Water, Electricity and Refuse Removal backlogs have increased between 1996 and 2013

were first introduced by Sol Plaatje in 2009/10 and grew from R 148.92 million to R 212.48 million in the past 4 years. Although the provision for these future liabilities may not be interest bearing, it can be considered as Sol Plaatje's greatest liability and the steep escalation seen year on year will have to be monitored as the short term portion needs to be backed by cash and short term investments.

Graph 32: Current Assets vs. Current Liabilities

Benchmark 2:1



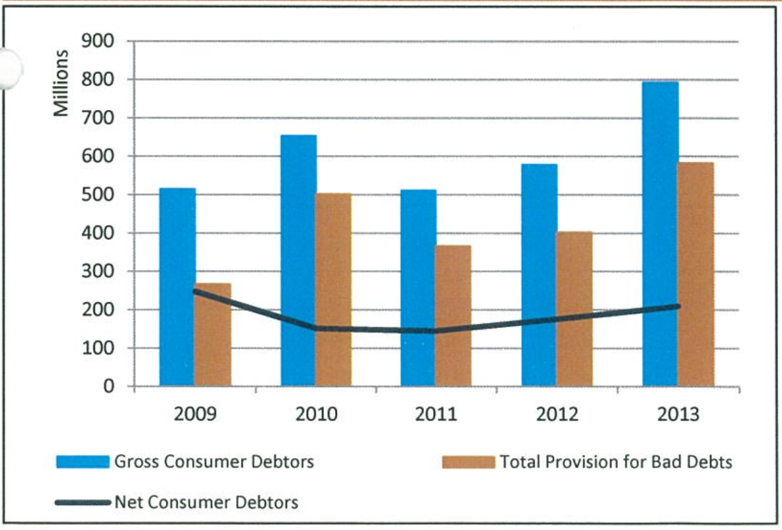
A healthy relationship between Current Assets and Current Liabilities in a municipality's balance sheet is of utmost importance. Sol Plaatje's Current Assets grew by R490.97 million (164%) from 2008/09 to 2012/13 while Current Liabilities grew by R 120.36 million (97%) in the same period. Significant to note is that Current liabilities were well managed and remained relatively low over the assessment period.

As a minimum the current assets should at least cover current liabilities at a ratio of 1:1. For a healthy position the ratio should exceed 2:1. It is therefore commendable to note that Sol Plaatje has made tremendous effort to maintain healthy and improving liquidity levels over the assessment period. However, It is concerning to note that a bulk of municipality's current assets is tied up as debtors. This has been further illustrated in Table 10 where the liquidity ratio drops significantly when debtors older than 30 days were excluded from current assets.

Table 10: Liquidity Ratios

	2009	2010	2011	2012	2013
Current Assets: Current Liabilities	2.41	1.80	2.22	2.68	3.23
Current Assets less Debtors > 30 days: Current Liabilities	0.70	0.80	0.94	1.49	1.93

Graph 33: Gross Consumer Debtors vs. Net Consumer Debtors

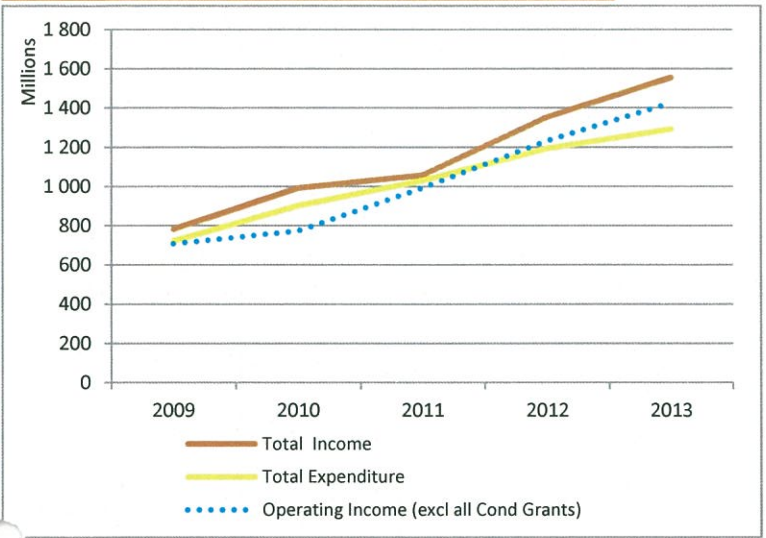


Gross Consumer Debtors increased by R 277.81 million (54%) whereas Net Consumer Debtors decreased by R 37.83 million (0.15%) when comparing 2008/09 to 2012/13. The decreasing trend of Net Consumer Debtors was largely a reflection of increased provisions as there was no notable improvement in payment levels.

Following a reduction of debtors in 2010/11 and 2011/12, which was due to the writing off of large amounts of debtors, there was a sharp increase noted in 2012/13. Sol Plaatje Municipality continues to actively write off irrecoverable debts while collection rate remains below the acceptable rate of 95%. In total R 308 million has been written off over 4 years. This approach which will require that Sol Plaatje Municipality revisit its credit control policy. With reflection on the payment ratio in **Table 11** below it can be noted that collection ratios are at its highest over the trend at 87%. It would be positive should Sol Plaatje Municipality be able to continue this improving trend.

Statement of Financial Performance

GRAPH 36: TOTAL INCOME VS. TOTAL EXPENDITURE



Positive to note is that Sol Plaatje's Total Income has always exceeded Total Expenditure during the past 5 years reviewed. The results were positive Accounting surpluses posted by the municipality year on year. Total income grew from R 782.88 million in 2008/09 to R 1.55 billion in 2012/13 while Total Expenditure grew from R 706 million to R 1.29 billion during the same period.

In **Table 12** below, Sol Plaatje' ability to generate operational surpluses is measured over the past 10 years based on the following two methodologies:

- **Total Accounting Surplus or Deficit** measures whether income from all sources exceeds total expenditure incurred, the calculation however includes earmarked operational and capital conditional funding received as well as accounting changes. On this basis Sol Plaatje posted healthy surpluses year-on-year. However, Accumulated surpluses decreased by R 62.47 million (70%) in 2010/11and thereafter, Sol Plaatje managed to recover and posted the highest surplus of R 262.96 million in 2012/13.
- On cash basis, once all non-cash items are removed from the operational expenditure Sol Plaatje has indicated strong capacity to post **cash operational surpluses**. The largest surplus of R 176.88 million was posted in 2012/13. Continuous improvement was noted in the past 3 years.

TABLE 12: ANALYSIS OF SURPLUS

	2009	2010	2011	2012	2013
Total Accounting Surplus (Deficit)	61.07	89.35	26.88	159.94	262.96
Cash Operating Surplus (Deficit)	18.60	70.74	39.04	43.39	176.88

As per **Table 13** below, Salaries and Wages remained the largest expenditure item for Sol Plaatje, Contributing 35% to the Total Expenditure in 2012/13. Although this contribution has reduced by 2% since 2010/11, annual increases for the past 5 years were high at rates between 8% and 20%. National Treasury recommends that Municipalities keep these costs at a maximum of 30% of the Total Expenditure.

At 23% during the current year, Electricity was the municipality's second largest expenditure item. Historically, year on year increases were very high at levels above 20%. These large increases may raise affordability concerns as the consumers' ability to pay for this service. The current growth rate of 11% can be considered reasonable considering the latest rate hikes approved by NERSA.

The contribution of Repairs and Maintenance to Total Expenditure reduced from 7% in 2008/09 to 5% in 2012/13. It is advisable that Sol Plaatje gradually increase this allocation to 7% of Total Expenditure in the medium term as recommended by National Treasury.

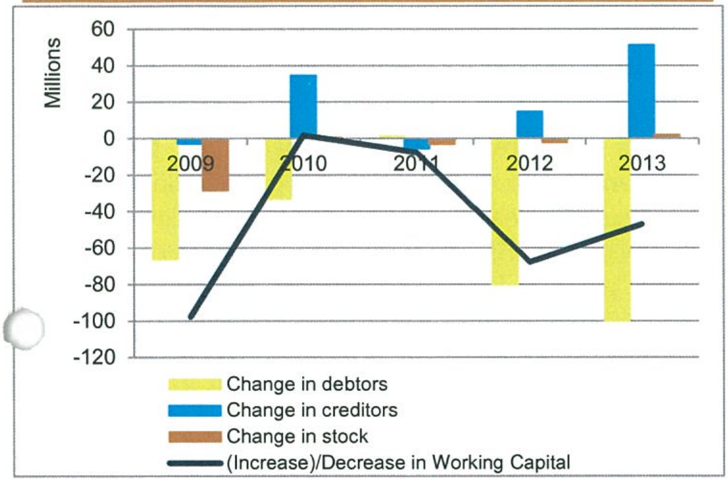
Depreciation charges also declined from 7% of Total Expenditure in 2008/09 to 3% in 2012/13. When making provisions for depreciation charges, it is fundamental that Sol Plaatje considered the level of growth in the value of Fixed Assets and provide accordingly as a means to provide for the cash cost of acquiring new fixed assets required to continue operations when existing assets reach the end of their useful lives.

The significant increase of 220% in External Interest Paid can be ascribed to the large extent of new borrowings taken up by the Municipality. The largest external loan thus far amounted to R 73.32 million in 2011/12 which was thereafter followed by another loan of R 57.07 million in 2012/13.

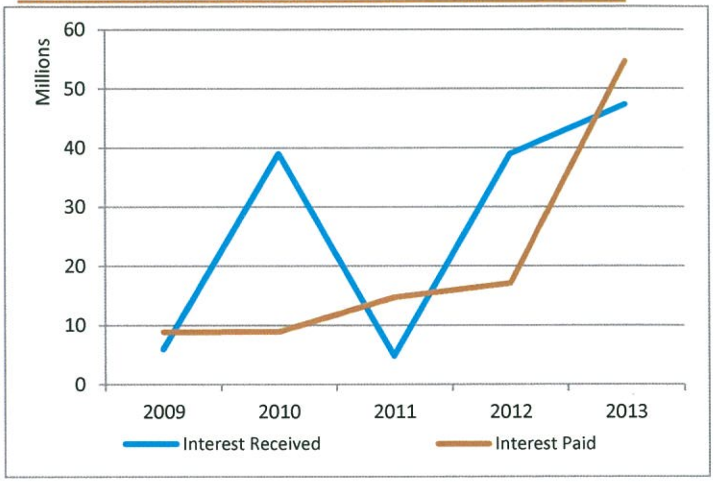
Cash Flow Statement

In this section it is important to ascertain whether Sol Plaatje generates surplus cash from its operational activities per annum, as well as to assess to which degree the surplus cash generated is invested back into new Capital Infrastructure and/or reserved in Investments. Further it is to assess the financial resources that are at Sol Plaatje's disposal for investment in Capital Infrastructure and to which degree these resources are optimally leveraged to accelerate service delivery whilst maintaining a financially sound position.

GRAPH 37: CASH IMPACT OF WORKING CAPITAL CHANGES



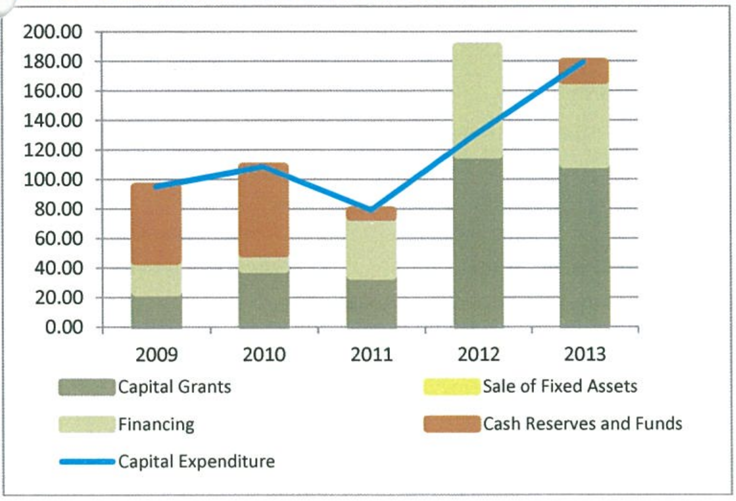
GRAPH 38: INVESTMENT INCOME VS. INTEREST PAID

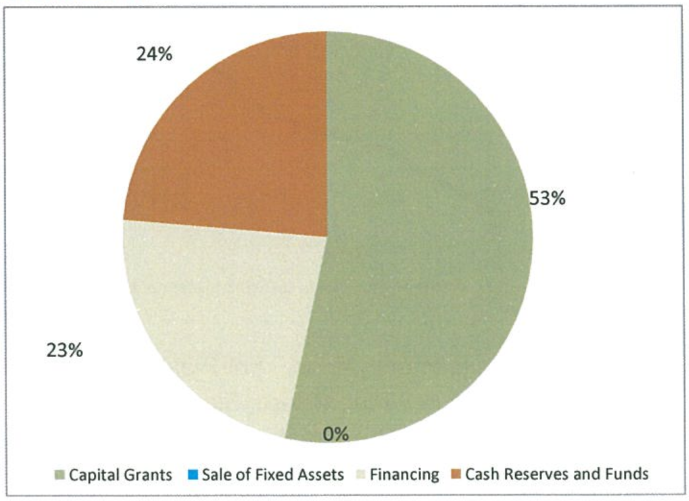


Working Capital reflects the Municipality's management of its debtors, creditors and stock and therefore proper management of working capital components is essential to ensure that the Municipality is able to continue its operations and that it has sufficient cash flow to satisfy both maturing short-term debt and its operational expenses. **Graph 37** depicts that the changes in Sol Plaatje's working capital remained negative during the assessment period. The largest cash outflow of more than R 90 million in 2008/09 was mainly due to the significant increase in consumer debtors and stock while large payments were made to creditors at the same time. Sol Plaatje's debtors continued to grow through to the 2012/13 financial period; resulting in persisting cash outflows year on year.

Investment income has fluctuated over the studied trend. Although a positive growth was noted in the recent years. However, Sol Plaatje has also been paying more interest on external loans since more borrowings were taken up from 2010/11. Interest received in 2012/13 amounted to R 47.28 million while interest paid was higher at R 54.65 million.

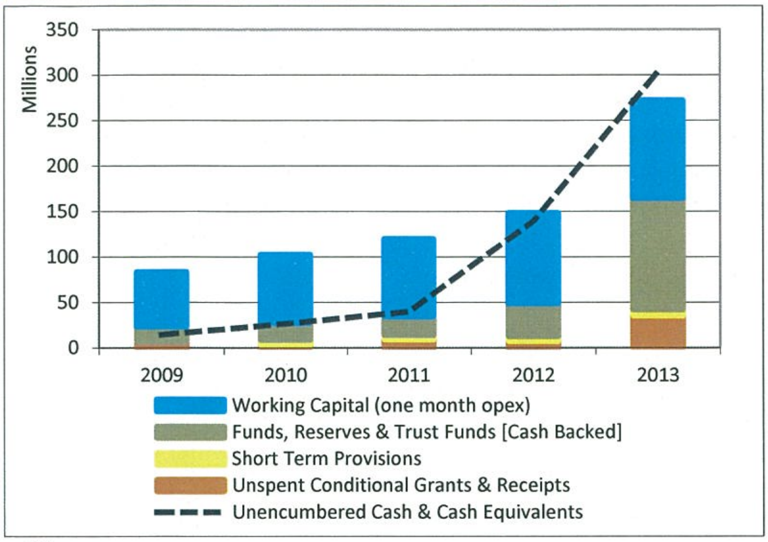
GRAPH 39: FUNDING RESOURCES UTILISED TO FUND CAPITAL EXPENDITURE





During the past five years, Sol Plaatje invested R 593.63 million into capital infrastructure. The level of capital spending escalated rapidly during the past two years, following the decrease noted in 2010/11. This was mostly influenced by increased Capital Grants and new borrowings taken up each year. Overall, CAPEX grew from R 95.03 million in 2008/09 to R 179.28 million in 2012/13

GRAPH 43: MINIMUM LIQUIDITY REQUIREMENTS



From these Cash and Investments it is statutorially required that the following items should be cash backed:

- Unspent conditional grants
- Earmarked Funds, Reserves & Trust Funds
- Capital Replacement Reserve,
- Short term provisions

Positive to note is that Sol Plaatje was in a position to cover these statutory requirements during the assessment. However, the significant growth in Unspent conditional grants is a worrying trend. Unspent Conditional Grants grew from R 6.43 million in 2008/09 to R 35.11 million in 2012/13. Short term provisions also increased by R 1.45 million.

National Treasury prescribes that in addition to holding cash for the above items, cash resources need to be available for working capital requirements and it should equate to at least 3 months of operational expenditure. As a prudent measure it is recommended that at least one month of operational expenditure be maintained. However based on **Table 14** below, it is evident that Sol Plaatje did not have sufficient cash to provide for 1 month's operational expenditure except for 2012/13.Historically, cash shortfalls ranged between R 8.76 million and R 80.20 million. As a result of increasing short term investments, Sol Plaatje managed to cover all statutory requirements and provide for just over one months' working capital; generating a surplus of R 30.96 million. Although this position has improved, it should however be noted that the next focus should be to cover at least 3 months' working capital.

TABLE 14: MINIMUM LIQUIDITY LEVELS

	2009	2010	2011	2012	2013
Unspent conditional grants	6.43	3.44	9.24	7.22	35.11
Short term provision	-	5.30	4.77	5.21	6.79
Funds, Reserves & Trust Funds [Cash Backed]	16.81	18.41	19.97	36.17	122.48
Total	23.24	27.15	33.98	48.60	164.37
Unencumbered Cash & Cash Equivalents	14.39	26.17	39.61	139.31	302.99
Cash Coverage Ratio (excl Working Capital)	0.62	0.96	1.17	2.87	1.84
Working Capital Provision [1 month Opex]	60.15	75.14	85.84	99.47	107.65
Cash Coverage Ratio (incl Working Capital)	0.17	0.26	0.33	0.94	1.11
Minimum Liquidity Required	83.39	102.29	119.81	148.08	272.03
Cash Surplus/(Shortfall)	-69.00	-76.12	-80.20	-8.76	30.96

deal to have its policies assessed for better alignment with its Capital Investment Capabilities necessary for the long term financial sustainability of the municipality.

Key Drivers for the Slight Deterioration in Credit Rating Quality of Sol Plaatje at FYE2013:

Increase in Gross Consumer Debtors/Total Income:

A drop in revenue collection to 82%, from 88% in FYE2012 - has led to a significant increase of 37% in Gross Consumer Debtors compared to a moderate 13% in the prior year. Sol Plaatje's revenue collection has been relatively low, below 90% in seven out of eight financial years of the review period and adversely negates the municipality's high cash flow potential. A review of the municipality's Credit Control Policy would assist in strengthening viable efforts that are aimed at realising targeted annual revenues.

Interest Paid/Total Expenditure:

Concomitant with the acceleration in annual capital spending in the last five years – significant increases in Sol Plaatje's debt levels has fuelled high rates of growth in associated financing costs, with the FYE2013 recording the highest increase of 200% in Interest Paid. Whilst the ratio (Interest Paid/Total Expenditure) still remains at relatively acceptable levels of 4% at FYE2013 – the high rate of Interest Paid has also contributed to the decrease in the credit score to 5.6, from 5.9 at FYE2012. An in-depth analysis of Sol Plaatje's Asset Register in conjunction with the municipality's Integrated Development Program (IDP) – will enable the successful development of a Long Term Financial Plan necessary for gradual and smooth increases in annual capex that is in line with Sol Plaatje's Capital Investment Capabilities.

BY - LAWS

SOL PLAATJE MUNICIPALITY

ANNEXURE : BUDGET RELATED BYLAWS

List of Budget related Bylaws	Explanation numbers
Advertising Signs	1
Aerial Systems	1
Animals, Poultry & Bees Control	1
Building Control	1
Caravan Park	1
Cemeteries	1
Electricity	1
Fire Brigade	1
Fireworks	1
Keeping of Dog Control	1
Law Enforcement	1
Property Rates	1
Standing Orders	1
Street Trading Control	1
Swimming Pools	1
Taxi Ranks	1
Water Supply	1

Explanation numbers

1. These bylaws are accessible on the Sol Plaatje website: **www.solplaatje.org.za.**
2. Bylaws to be approved with draft budget process 2015/16.

M F M A
CIRCULARS

ANNEXURE : MFMA CIRCULARS

1. All MFMA circulars are accessible on the NT website: www.treasury.gov.za

2. The following MFMA circulars are included in the budget book:

MFMA Circular 73
MFMA Circular 74
MFMA Circular 75

MFMA Circular No. 73
Municipal Finance Management Act No. 56 of 2003

System of Delegations

Purpose

The implementation of various public sector reforms, across the three spheres of government, was identified as part of the strategic priorities of government needing intervention. One of the many ways to ensure this occurs involves organs of state developing and implementing measures for an effective public service. The system of delegations was identified for analysis, review and improvements in order to address challenges faced with service delivery, accountability and assignment of responsibilities.

Overview

The systems of delegation in the public sector therefore have a profound effect on the ability of government institutions to improve decision making and implementation thereof.

In adopting any system of delegations, all of the procedures and processes associated with each delegation are performance driven and must contribute towards the overall effectiveness and efficiency of the municipality and municipal entity's operations with minimal delays in service delivery.

In order to give effect to the adoption by municipalities and municipal entities of a robust and coherent set of delegations, a principles document has been developed to provide broad principles which would assist municipalities and municipal entities in drafting their systems of delegations that will maximize administrative and operational efficiency and provide adequate checks and balance in the financial administrations of municipalities and municipal entities.

In addition to the principles document, the National Treasury has also developed templates that will assist municipalities to formalise their system of delegations within their respective institutions. These templates allow for the signatories of both the delegator and delegatee to understand their roles, responsibilities and areas of accountability in performing tasks as assigned by the Council. The MFMA delegations framework is consistent with the broader principles and has been developed to assist municipalities in reviewing and amending their system of delegations for financial management, consistent with the MFMA and its regulations.

Annexure A provides information on the principles to be considered for an effective system of delegation, supported by Annexure B delegations template, Annexure C sub-delegations, Annexure D sub-delegations to acting positions, and Annexure E detailed delegation framework.

Legal Framework

It is important that delegations are consistent with the legal framework. In this regard, section 238 of the Constitution of the Republic of South Africa, 1996 provides that an executive organ of state in any sphere of Government may delegate any power or function that is to be performed in terms of legislation to any other executive organ of state, provided that the delegation is consistent with the legislation in terms of which the power is exercised or the function is performed. The Constitution therefore sets down the qualification that the particular delegation must be consistent with the enabling legislation.

In terms of section 59 of the Municipal Systems Act, the responsibility of developing and maintaining a system of delegation vests with the Municipal Council. The responsibility of the Accounting Officer is to manage and implement the system of delegations. It must be noted that in terms of section 79 of the MFMA the Accounting Officer is responsible for ensuring that an appropriate system of delegations is developed to maximise administrative and operational efficiency and provide adequate checks and balances in the municipality's financial administration. This responsibility is important and should be documented as a key performance area in the performance agreements of the Accounting Officer and others that are entrusted with delegated authority.

The Chief Financial Officer is provided with the option to, in terms of section 82 of the MFMA, sub-delegate all of the duties, functions and responsibilities that are referred to in terms of section 81(1)(b), (d) and (e) of the MFMA. The Chief Financial Officer may also sub-delegate any of the duties referred to in the latter section, to an official in the budget and treasury office, to the holder of a specific post in that office or with the concurrence of the accounting officer, to any other official of the municipality or any person contracted by the municipality for the work of the office.

In terms of section 60 of the MFMA, the Accounting Officer must:

- Exercise the functions and powers that is assigned to the Accounting Officer in terms of the MFMA; and
- Provide guidance and advice on compliance with the MFMA to various role players in the municipality.

In view of the aforementioned, the Act thus places accountability on the Accounting Officer to ensure that its requirements are implemented.

Hierarchy of Delegations

The principles document clarifies the roles and responsibilities between role players in the delegation process in order to ensure a hierarchy of delegations from executive authorities to officials in the administration. The executive (municipal councils) is responsible for providing political leadership by deciding on policies and outcomes whereas the municipal manager and other senior managers are responsible for implementation and outputs in respect of the expected deliverables.

Delegation Principles

Certain key principles are required for an effective and efficient system of delegations. The primary principles provide for the upholding of the Constitution and legislation to avoid any potential inconsistency in its application. The delegation must be authorised by the statutory authority.

The municipal council must provide the municipal manager with appropriate powers and authority to enable the municipal manager to execute his responsibilities in an effective and efficient manner. A municipal manager empowers the administration by means of appropriate delegations.

Every system of delegations must be able to measure performance against agreed outputs that has to be undertaken and achieved to ensure the delivery of quality and timeous services to communities. It must uphold the principles of responsibility, accountability, effectiveness and efficiency and fast track decision-making.

A municipality must periodically review its system of delegations for validity and completeness and specific responsibility must be assigned to an official to manage, maintain and monitor delegations in the municipality. A municipality's delegations must be aligned to measurable objectives and the organisational structure.

Moreover, the following principles must be implemented:

- Any delegation or authorisation to perform a power or duty must be in writing;
- A delegation does not prevent the delegator who made the delegation or granted the authorisation from exercising that power or performing the duty. Such action by the delegator must however be communicated to the delegatee to avoid duplication and wasteful expenditure.
- Any delegation may at any time be withdrawn by the delegator subject to the governing legislation.
- The MFMA allows the accounting officer to delegate a power or function to a specific individual or to the holder of a post. A delegation to the holder of a post will however ensure the continuation of service delivery in instances where another person lawfully acts in a position with associated delegated powers and duties.
- A municipality's system of delegation must be reviewed when a new council is elected or appointed or when a new municipal manager is appointed or when there is a change to the organisational structure due to reorganising or restructuring or there are amendments to municipal policies or legislation.
- Municipalities must ensure that the delegatee to whom a power or function is delegated has the required capacity and skills to perform a particular power or function.

Municipalities are encouraged to familiarise themselves with the content of the principles document to ensure that these are encapsulated in their system of delegations.

Conclusion

It is important that the accounting officer ensure that this Circular together with the principles document and supporting annexures are brought to the attention of the Municipal Council and other relevant officials within municipalities and municipal entities.

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TV PILLAY
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6 May 2014

Annexure A: Principles Document

Annexure B: Delegations Template

Annexure C: Sub-delegations Template

Annexure D: Sub-delegations to Acting Positions Template

Annexure E: Detailed Delegation Framework (MFMA)

Principle document for the MFMA financial management delegations

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Glossary of Terms

“Accountability” means an obligation of an individual to account for its activities and to disclose the results in a transparent manner.

“Authority” means a power that is delegated formally. It includes a right to command a situation, commit resources, give orders and expect them to be obeyed. It is always accompanied by an equal responsibility for one’s actions or a failure to act.

“Delegation” means the assignment of authority and responsibility to another person to carry out specific activities.

“Delegation official” means any person to whom power has been delegated or who has been authorised to perform a duty in terms of a formal delegation. This includes an official who lawfully acts in the capacity of the delegated official.

“Duty” means the responsibility of conduct, function or performance that arises from an express or implied contract or from the fact of holding an office or position.

“Effectiveness” means the degree to which the objectives are achieved and the extent to which targeted problems are resolved. In contrast to efficiency, effectiveness is determined without reference to cost and whereas efficiency means “doing the thing right”, effectiveness means “doing the right thing”

“Efficiency” means a comparison of what is actually produced or performed with what can be achieved with the same consumption of resources.

“Function” means a task oriented block of related efforts organised to produce intended outputs. E.g. financial reports

“Limitation” means a restriction being imposed on the performance of a particular power.

“Manager” means an individual who is in charge of a certain group of tasks or a certain subset of an organisation.

“Power” means an instrument transferring or vesting legal authorisation. The ability conferred on a person by law to determine and alter the rights, duties, liabilities and other legal relations of himself or others.

“Principle Functionary” means any person upon whom a power is conferred or a duty is imposed through an empowering provision in terms of which an administrative action is taken. The principle functionary, in whom the power or duty is vested, remains accountable for the execution of the delegation.

“Responsibility” means a duty or obligation to satisfactorily perform or complete a task, assigned by someone, that one must fulfil and which has a consequent penalty for failure.

1. Background

The President has identified the need to modernise the public service across all three spheres of government. It must be noted that key to this requirement is the need to ensure that service delivery is achieved in an effective and efficient manner, including the desired results and outcomes that must be attained. The system of delegation has a profound effect and places emphasis on the strategic planning, decision making on both the budgetary implications and the plan on implementation in which service delivery is undertaken and managed. In view thereof, it is a requirement that the functionality of the system of delegations, including its procedures and processes, must be results and performance driven and must contribute towards the principles of effectiveness and efficiency with no delays in service delivery.

The drafting of this document has therefore been initiated by the President's concern that there seems to be a correlation between the delegation of authority and service delivery. This concern is driven by the Governance and Administration Cluster through the President's outcome 12 focusing on an 'efficient, effective and developmental orientated public service'. The purpose of this document is therefore to provide principles that will assist municipalities in drafting their systems of delegations.

The term 'delegation' is derived from Latin. It means that when delegating, a person sends work that is delegated to him/her to another person to plan, undertake and achieve the desired results and outcomes. It is important to note that delegating clearly defines the limits and parameters of authority that go with decision making, by providing the required checks and balances. Delegation therefore means the giving of power, responsibility, or work to another person.

The act of delegation involves assigning powers or duties to another person so he or she can act on your behalf. Authority to exercise discretion is delegated to a person so that that person may make decisions, use resources, act or dispose of matters at his or her own particular level without having to refer the matter to higher authority for a decision. It must be noted that when you delegate a particular function, you delegate responsibility and not accountability. The MFMA allows the Accounting Officer of a municipality to delegate either to a specific individual or to the holder of a specific post in the municipality in either a permanent or acting capacity. It is therefore important to note that the person acting in a post is equally accountable as the person who normally occupies the post concerned. Hence, in the implementation and management of the Systems of Delegations in a municipality, the Accounting Officer maintains every level of accountability. Accountability can therefore not be delegated. For example, if 'A' is given a task with sufficient authority and 'A' delegates this task to 'B' and ask him to ensure that the task is performed, responsibility rest with B but accountability still remains with A.

The legislative framework that relates to the requirement for the implementation and management of a System of Delegations in terms of the Municipal Finance Management Act (MFMA) (Act 56 of 2003) and the Municipal Systems Act (MSA)

(Act 32 of 2000) would also influence the management of the Performance Regulations.

The delegation of the financial management responsibilities in terms of the MFMA read with the MSA cascades from the municipal council to the Mayor and further onwards to the Accounting Officer as the head of the administration.

The legislation assumes that the political head of a municipality (Executive Mayor or Mayor) is responsible for policy matters and outcomes which include seeking council approval and adoption of the municipality's budget. The head of the administration (Accounting Officer) is responsible for outputs and implementation and is accountable to the municipal council for the management and implementation of that budget. This approach is consistent with the MFMA read with the MSA which relies on a performance driven system of measureable outputs.

The MFMA and its Regulations prescribe specific responsibilities that the Accounting Officer (AO) must carry out to ensure the effective, efficient, economical and transparent use of a municipality's resources.

Delegations have multiple effects and benefit both the Accounting Officer as well as officials to whom powers or duties are delegated to. Through delegations, the accounting officer's workload is reduced allowing him or her to focus more on strategic issues facing the municipality whilst delegations serve as a powerful staff motivator by raising officials' self-esteem and confidence. It makes officials feel involved in the decision making process where they have an opportunity to articulate their views, thereby making a difference in the workplace. This enhances their skills, which in the long terms is beneficial to both the municipality and the public sector as a whole.

It is also important that delegations reflect the municipality's organisational structure. Sub-delegation on a temporary basis is appropriate in circumstances where the officer normally responsible is officially absent for a period by reason of authorised leave or secondment.

When the draft budget and policies are tabled in the Municipal Council for approval, it is advisable that the system of delegations for the municipality is tabled simultaneously. In this regard we are referring to the system of delegations containing all the delegations for the municipality including the financial management delegations in terms of the MFMA and its regulations.

2. Legal framework for delegations

2.1 Municipal Finance Management Act and Municipal Systems Act (MFMA and MSA)

It is important that our delegations are consistent with the prevailing legal framework. In this regard, section 238 of the Constitution of the Republic of South Africa Act, 1996 provides that an executive organ of state in any sphere of Government may delegate any power or function that is to be performed in terms

of legislation to any other executive organ of state, provided that the delegation is consistent with the legislation in terms of which the power is exercised or the function is performed. The Constitution therefore sets down the qualification that the particular delegation must be consistent with the enabling legislation.

In terms of the MSA, the Municipal Council or the Executive Mayor is required to delegate powers or functions to the accounting officer. It must be noted that any form of written delegations to the accounting officer must not be inconsistent with the powers, functions and responsibilities that is assigned to the Accounting Officer in terms of Chapter 8 of the MFMA. In addition, it is a requirement for the Municipal Council and the Executive Mayor to also be aware of the provisions of section 76 of the MFMA that relates to the duty of the accounting officer to undertake and manage his or her responsibilities in terms of the MFMA without any undue influence.

In terms of section 79 of the MFMA, the Accounting Officer is responsible for ensuring that an appropriate system of delegations is developed that will both maximise administrative and operational efficiency and provide adequate checks and balances in the municipality's financial administration.

In addition to the above, the Chief Financial Officer is also provided with the option to in terms of section 82 of the MFMA sub-delegate all of the duties, functions and responsibilities that are referred to in terms of section 81(1)(b), (d) and (e) of the MFMA. The Chief Financial Officer is allowed to delegate his or her power referred to in the latter section, to an official in the budget and treasury office, to the holder of a specific post in that office or with the concurrence of the accounting officer, to any other official of the municipality or any person contracted by the municipality for the work of the office.

It must be noted that the delegations in respect of section 56 managers, though not explicitly prescribed in the MSA, are nonetheless conferred upon them by implication by virtue of their performance agreements that is required in terms of the Performance Regulations.

In terms of section 59 of the MSA, the responsibility of developing and maintaining a system of delegation is placed in the Municipal Council. The responsibility of the AO to manage and implement the system of delegations is also guided by section 59 of the MSA. It must be noted that this responsibility of the AO remains non-negotiable and should be documented as a key performance area in his/her performance agreement.

All delegations must be reviewed annually to put effect to the relevance and entrench accountability on the delegated responsibility.

In terms of section 60 of the MFMA, the Act has made it non-negotiable and prescriptive, that the Accounting Officer is required to:

- Exercise the functions and powers that is assigned to the Accounting Officer in terms of the MFMA; and

- Provide guidance and advice on compliance with the MFMA to various role players in the municipality.

In view of the aforementioned, the Act thus place complete accountability on the Accounting Officer to ensure that its requirements are given effect to.

3. Accountability

In the implementation and management of the System of Delegation in a municipality, the Accounting Officer maintains every level of accountability. Accountability means giving explanations for any variance in the actual performance from the expectations set. Accountability cannot be delegated. For example, if 'A' is given a task with sufficient authority, and 'A' delegates this task to B and asks him to ensure that task is done well, responsibility rest with 'B', but accountability still remain with 'A'. The senior management within municipalities is most accountable. The term Accountability makes reference to being answerable for the end result. Accountability can therefore not be escaped because it arises from responsibility.

This level of accountability is substantiated and best illustrated in section 79 (3) (e) of the MFMA. The MFMA only make provision for delegations to the accounting officer of a municipality. The MFMA goes further to preclude the Accounting Officer from delegating functions and duties to "any member of the political structures" in the municipality.

In light of the aforementioned, the implementation and management of the system of delegation is in fact the process to implement the best practices and the "skill on accountability". The system of delegations gives authority to an official in the administrative system but with "the essential human, technical and other resources" to plan, fund, implement, and manage the mandate on service delivery in a municipality.

Since accountability is legislatively enforced in the public service, delegation is often not undertaken lightly and usually involves service-delivery considerations. The requirement for an effective and reliable system of delegation is to entrench accountability by firstly providing a clear and vertical division of work output to determine the relationship between the delegator and the delegatee.

4. Responsibility and Authority

Responsibility is the duty of the person to complete the task assigned to him. A person who is given the responsibility should ensure that he or she accomplishes the tasks assigned to him. If the tasks for which he was held responsible are not completed, then he should take responsibility for failing to complete the task by the agreed date. Responsibility without adequate authority may lead to discontent and dissatisfaction amongst officials. It is therefore important that delegations flow with the necessary discretion to make decisions. Responsibility flows from bottom to top. The middle level and lower level management holds more responsibility. The person held responsible for a job is answerable for it.

Authority in context of a business organization can be defined as the power and right of a person to use and allocate the resources efficiently and to take decisions and to give orders so as to achieve the organizational objectives. Authority must be well-defined. All people who have the authority should know what the scope or limitation of their authority is and they should not misuse it. Authority is the right to give commands, orders and get the things done. The top level management has greatest authority. Authority always flows from top to bottom. It explains how a superior gets work done from his subordinate by clearly explaining what is expected of him and how he should go about it. Authority should be accompanied with an equal amount of responsibility. Delegating the authority to someone else does not imply escaping from accountability. Accountability still rest with the person having the utmost authority.

5. Effectiveness and Efficiency

In providing an understanding to the term effectiveness and efficiency, it is essential to give an illustration to its characteristics and meaning.

The term Effectiveness relates to understanding the mandate, determining all the right things that must be executed to achieve the desired results and outcomes of the Mandate.

The term Efficiency relates to an understanding of determining the timeframes, the techniques and the skills to manage the implementation plan that is directly focussed to achieving the outcomes of a specific mandate. The display in the level of efficiency would guide the adjudicators to comment on the grade of competence and diligence that was on display during the execution of the implementation plan. The efficient performance of work necessitates a realistic delegation of authority extending to the lowest possible level in the hierarchy of the municipality. To provide services and accomplish related tasks necessary for it, functionaries need a large degree of delegation, especially where regional and local offices are involved. For this reason, the delegation of authority is closely intertwined with the extent of centralisation or decentralisation of municipal activities.

The effectiveness and efficiency that is achieved in the implementation and management of the system of delegation would also be influenced by the size, complexity and magnitude of the constitutional mandate. In addition, the issue of centralization and/or decentralization would also influence how the system of delegation must maintain the right levels in effectiveness and efficiency within the institution.

To provide services and accomplish related tasks necessary for it, functionaries need a large degree of delegation that is supported with the right levels of human, technical and other resources that would position all levels of management to function but with a focus of concentration on the outcomes of the mandate.

The advantages that accrue from a delegations system that mirrors decentralisation of administrative functions can include amongst others:

- The workload of Council or the Accounting Officer and other managers are reduced, thus maintaining greater focus on strategic issues;

- The promptness, quality, integrity, reliability in decision making improves due to the fact that decision making is closer to the work at hand and time does not have to be allocated for referring the matter to a higher authority;

- Improved initiatives and job satisfaction amongst middle and junior level managers due to the fact that they are part of the effort to manage the executive obligations and play a lead and direct role on service delivery activities of the institution. In addition the clarity and certainty that is prevalent positions Officials of all levels of Management to be in readiness accept greater responsibilities;

- Employees are encouraged to exercise judgement and accept responsibility which enhances their self-confidence and willingness to take initiative; and

- Building institutional memory at various levels of the organisation.

It should be noted that there are several personnel and managerial factors that can inhibit the implementation and management of the system of delegation. This would require clarification to entrench stability. They can include:

- The higher the degree of accountability that the legislation demands from the delegator, the higher the thought to centralise activities and a reluctance to delegate to functionaries lower in the municipal hierarchy;

- The delegator is concerned that insufficient capacity exists at different levels of management to implement and manage the work output that has been delegated; and

- The delegator is concerned that his or her performance evaluation could be seriously and negatively affected when staff in the different levels in management experience seamless difficulties to undertake and manage the work output that has been delegated within the system of delegation.

Senior managers sometimes inherit organisations or parts thereof that were designed by others. It is possible that the design of the organisation itself inhibits effective delegations. This might necessitate a review of the organising function to determine the root cause of the problem. Organisational impediments to delegation can include:

- The system of delegation is not effective if the nature of the powers, duties and/or task, accompanying the authority and reporting requirements are not clearly explained and the responsible functionary is not identified;

- When senior managers fail to delegate a power or duty, there is the expectation that the responsibility for its execution will eventually be delegated in an irregular manner to others. This would create additional staff, reporting, performance evaluation and communication burdens; and

- In the absence of a clear delegation policy or with poorly developed job descriptions, staff members at all levels of the organisational hierarchy may not have a good understanding of what is expected of them.

6. Clarification of roles and responsibilities

The legal framework surrounding delegations in terms of the MFMA has been described above. In essence, the relationship between the delegator and the delegatee is based on the loyalty and trust to the mandate on service delivery. Checks, balances and external authorities will not remedy the situation if both communication and understanding is compromised. To prevent such a scenario from occurring, there must be frequent and effective communication between the delegator and delegatee.

7. Principle and process for delegation under the MFMA

7.1 Principle for delegation

The delegation process is essential to every manager in a municipality. Below are some guidelines that can be used to assist managers to be more effective in delegation:

- **Explain the reasons for delegating**. Delegatees should understand that delegation has advantages for themselves, for the manager and for the municipality;

- **Set clear goals and standards**. Delegatees should participate in the process of formulating goals for the delegated power and should agree with the criteria laid down for measuring their performance. This participation will foster successful delegation;

- **Ensure clarity of authority and responsibility**. Delegatees must understand the powers and duties designated to them, recognise their responsibility and be held accountable for the results;

- **Involve delegatees**. Managers should motivate delegatees by including them in the decision making processes, informing them of their progress and enabling them to improve their knowledge and skills in the delegated powers and duties. An informed delegatee is more likely to accept well designated powers and duties and perform them properly;

- **Provide the necessary direction and assistance**. Request the completion of tasks incidental to exercising the delegated powers and duties. Managers

can see to it that delegatees complete the tasks delegated to them according to the agreed standards and goals;

- **Provide performance training**. The effectiveness of delegation depends on the delegatee's ability to perform tasks. Managers should continually evaluate the responsibilities delegated and provide training to help delegatee's overcome shortcomings; and

- **Provide feedback to the delegatee.** Timely and accurate feedback should be provided to delegatees on a regular basis. The feedback should include both positive and negative feedback regarding the delegatee's performance. The way forward should then be discussed with the delegatee.

7.2 Delegation process

The delegation process is essential to managers of municipalities to assist them to discharge the function and responsibilities that have been delegated to them as well as for the growth and well-being of employees. Delegation does also not take place automatically; it is initiated by the responsible principal and implemented by the employee to whom the power is delegated.

Furthermore, the internal and external environment is expected to change rapidly in a municipality. In view thereof, it is imperative that the responsible principal and managers review the constantly changing requirements with their employees. In the case of newly appointed employees, a greater amount of time will be required to ensure that they understand their jobs and what will be required of them.

The following steps are recommended by which the delegation process can be carried out. It should be noted that the same process described below will also apply to sub-delegation.

- Decide on the powers and duties to be delegated. Duties of a repetitive nature, or minor chores, can easily be delegated. It is important to delegate more challenging tasks in order to develop employees' skills and to build self-confidence.

- Decide who should perform the powers and duties. The time available, competencies and skills required, and experience of the delegatee should be taken into account.

- Provide sufficient resources for carrying out the powers and duties delegated. These include human, financial, technical and other resources. The issue of adequate resources must be a prerequisite to the delegated functions and responsibilities that is required to be undertaken. Without sufficient resources, employees will not be able to execute the powers and duties that have been delegated to them.

- Delegate the powers and duties. The manager delegating the powers and duties should empower the functionaries who are responsible and provide all

relevant information on the task to be undertaken, including the results and performance that must be achieved.

- Establish a reporting system. This is vital because the outcome of the delegation process is information on the performance of the task. This serves as a measure to evaluate its execution and as input for when delegations are reviewed and others considered.

It must be noted that notwithstanding the delegation being issued, the accountability remains vested with the Manager (delegator). In light of the aforementioned, the Manager should be required to intervene in the event when difficulties arise. It must also be noted that an instance of such an intervention would be the issue of depleting and/or unavailable resources.

In addition, if the delegatee lacks sufficient experience or the appropriate skills, managers should be prepared to assist where necessary and the delegatee should be made aware it is possible to request assistance.

8. The role of the Accounting Officer

The AO is duty bound and is responsible to plan, implement and monitor not only the functionality of the system of delegation within senior management and the municipality, but also to determine whether the correct results and performance is achieved under each matter within the system of delegations. It is also the responsibility and function of the AO to correct any malfunction in the event there are negative trends in the results and performance under each of the matters that are issued within the system of delegations.

It thus remains of essence, that the system of delegations that is managed under the administrative leadership of the AO must by virtue of its design and structure play a lead and direct role to achieve absolute compliance, provide the reliance and stability on accountability and ensure that effectiveness and efficiency are achieved in the required outputs in the MFMA.

In light of this crucial requirement, it must become inevitable that the duty and responsibility for the implementation and management of the system of delegation must be included as a Key Performance Area (KPA) in the performance agreement of the AO. In addition, it must simultaneously also be KPA of each Senior Manager in their performance agreement. This would relate to the results and performance that is achieved in the implementation and management of their relevant delegation by the Accounting Officer within the system of delegation.

9. The credentials and key outcomes of the system of delegation

The evaluation exercise and providing comment on a system of delegation must be guided by the norms and standards that must be achieved in terms of the MFMA. The measurement and/or benchmark of a system of delegation can only be credible if the following aspects form its cornerstones, namely:

- The matters that are delegated to a member of Senior Management are specific and unambiguous to the power or function as contained in the MFMA;

- How the effectiveness and efficiency of the system of delegation that contains the requirements in terms of the MFMA, would ensure that the prescribed time frames, norms and standard that are set for each matter is achieved with certainty;

- That the functionality of the system of delegation that contains the matters in terms of the MFMA is underpinned and supported by the right staff structure (that is designed in relation to the functions that must be undertaken and managed), the provision of the necessary human, technical and other resources during the implementation and management of the system of delegations by members of senior management. In addition, the plan by the AO with the direct support of the Municipal Council to implement initiatives to strengthen the functionality of the system of delegation; and

- The implementation and management plan of the AO to evaluate whether any sub-delegations is consistent to the main matters as contained in the primary delegation to the members of senior management and whether the AO is a signatory with the relevant senior manager to a sub-delegation.

The Municipal Council must ensure that the duty and responsibility of the AO with reference to the implementation and management of the system of delegations as required in terms of section 79 of the MFMA must be included as a Key Performance Area in both the employment contract and performance agreement of the AO. In addition and simultaneous to the aforementioned, the AO must include this as a KPA in the employment contract and performance agreement of members of senior management.

10. The implementation plan and process

The implementation and management must be undertaken by the AO with the support and assistance of the Chief Financial Officer and senior management at the strategic level. In addition, the AO is required to evaluate the outcomes achieved by the senior management with regards to the sub-delegations to managers at the operational level.

The system of delegations at both the strategic level (AO to senior management and the operational level) can only be legal for functionality when the issue and receipt of the delegations is secured and protected by the relevant signatories between the parties to the delegations.

The AO is required to undertake an evaluation and submit a report to the Municipal Council with regards to the effectiveness of the system of delegations to firstly report on the functionality of the system within the municipality and secondly how the system has contributed to improved performance on the outputs required by the MFMA on service delivery. The Municipal Council will be required to undertake quarterly reviews of the performance of the political head of the municipality

(Executive Mayor). The Internal Audit division within the municipality must monitor the implementation and management of the system of delegations within the institution.

11. Conclusion

The purpose for the implementation and management of the system of delegations in municipalities is firstly to achieve and enhance effective and efficient compliance with the MFMA and secondly it is the duty of the AO to lead and direct senior management with regards to the execution and management of the work output that is required in terms of the Act.

It must be stated that the AO is required to manage the budget, financial and other general matters within the ambit of the system of delegations to delegate and hold senior management accountable for its planning, funding, implementation and reporting on all key outcomes and performance. In addition, the compliance that is required in terms of the Act, which relates to the compilation, implementation and management of a system of delegation, must be adopted as a key performance area of the AO. It must be the duty of the political head and the Municipal Council to undertake quarterly performance reviews that includes the system of delegations. The system of delegations in terms of the MFMA must be a crucial aspect in the performance agreement of the AO and senior management in municipalities.

DELEGATIONS

DELEGATION OF POWERS, DUTIES, FUNCTIONS AND RESPONSIBILITIES IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003 AND ALL ITS ASSOCIATED REGULATIONS; LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 32 OF 2000; DIVISION OF REVENUE ACT BY THE ACCOUNTING OFFICER OF THE …….. MUNICIPALITY TO THE CHIEF FINANCIAL OFFICER OF THE ……… MUNICIPALITY

By virtue of the authority vested in me in terms of section 79 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) read in conjunction with section 59 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000), I, ……….., in my capacity as Municipal Manager of the …………… Municipality, hereby delegate the powers, duties, functions and responsibilities, contained in Annexure A (template), to the Chief Financial Officer. I authorise the Chief Financial Officer to sub-delegate those powers, duties, functions and responsibilities to the appropriate managers within the Budget and Treasury Office in the municipality.

GENERAL

Further sub-delegation by the Chief Financial Officer to any other official outside the Budget and Treasury Office of the municipality can only be undertaken with my concurrence. The powers, duties, functions and responsibilities must be exercised according to Council's approved policies.

SIGNED AT ……………………….. ON THIS ……. DAY OF ………………… 20….

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ACCOUNTING OFFICER

DATE:

I …………., in my capacity as the Chief Financial Officer of the …….. Municipality hereby accepts the delegations in Annexure A.

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CHIEF FINANCIAL OFFICER

DATE:

[Note: this is a pro forma template which must be used for the issuance, acceptance and implementation of delegations by the delegator and delegatee]

SUB-DELEGATION OF POWERS, DUTIES, FUNCTIONS AND RESPONSIBILITIESIN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 AND ITS ASSOCIATED REGULATIONS; DIVISION OF REVENUE ACT; LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 BY THE CHIEF FINANCIAL OFFICER OF THE …………. MUNICIPALITYTO THE MANAGER: MUNICIPAL BUDGETS WITHIN THE BUDGET AND TREASURY OFFICE OF THE ………….. MUNICIPALITY

By virtue of the authority vested in me by section 82(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I, …………………, in my capacity as Chief Financial Officer of the ……………. Municipality, hereby sub-delegate the powers, duties, functions and responsibilities to the incumbent of the position Manager: Municipal Budgets.

It should be noted that further sub-delegation by the Manager: Municipal Budgets must only be undertaken with my concurrence.

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CHIEF FINANCIAL OFFICER

DATE:

I ………… in my capacity as Manager: Municipal Budgets of the ……. Municipality hereby accepts the delegations in the attached Annexure.

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MANAGER: MUNICIPAL BUDGETS

DATE:

[Note: this is a pro forma template which must be used for the issuance, acceptance and implementation of delegations by the delegator and delegatee. This therefore means that whenever the CFO or any other official sub-delegates, this template will have to be used and the relevant names will have to be inserted above.]

SUB-DELEGATION OF POWERS, DUTIES, FUNCTIONS AND RESPONSIBILITIES IN TERMS OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 AND ITS ASSOCIATED REGULATIONS; DIVISION OF REVENUE ACT; LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 BY THE CHIEF FINANCIAL OFFICER OF THE …………. MUNICIPALITY TO THE INCUMBENT THAT WILL BE ACTING IN THE POSITION MANAGER: MUNICIPAL BUDGETS WITHIN THE BUDGET AND TREASURY OFFICE OF THE ………….. MUNICIPALITY FOR THE PERIOD …… TO ……. 20…..

By virtue of the authority vested in me by section 82(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003), I, …………………, in my capacity as Chief Financial Officer of the ……………. Municipality, hereby sub-delegate the powers, duties, functions and responsibilities to the incumbent that will be acting in the position Manager: Municipal Budgets or the acting official of the indicated post.

It must be noted that the official acting in a temporary capacity in the position Manager: Municipal Budgets will be equally, jointly, severally and otherwise responsible for the agreed outcomes to be achieved and the performance of the tasks attached to the post for the period that he or she is acting in this post.

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CHIEF FINANCIAL OFFICER

DATE:

I ………… in my capacity as Acting Manager: Municipal Budgets of the …….. Municipality hereby accepts the delegations in the attached Annexure.

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ACTING MANAGER: MUNICIPAL BUDGETS

DATE:

[Note: this is a pro forma template which must be used for the issuance, acceptance and implementation of delegations by the delegator and delegate. This therefore means that whenever the CFO or any other official sub-delegates, this template will have to be used and the relevant names will have to be inserted above.]

National Treasury

MFMA Circular No. 74

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars.

CONTENTS

Key focus areas for the 2015/16 budget process

The Medium Term Budget Policy Statement 2014

The MTBPS highlights that South Africa's economic performance has deteriorated over the past several years. Gross domestic product (GDP) growth of 1.4 per cent is estimated in 2014, down from 3.6 per cent in 2011. GDP growth is projected to improve over the medium term as infrastructure constraints ease, private investment recovers and exports grow. Economic growth is expected to rise gradually over the medium term, reaching 3 per cent by 2017.

Key priorities of government are to reshape South Africa's urban environment through integrated spatial planning, investment in dynamic city development, integrated housing and transport programmes, and support for business activity and job creation. The Medium Term Strategic Framework (MTSF) priorities for structural reform over the period ahead include:

- ***Building the capacity of local government through the "back to basics" approach*** which will focus on improving service delivery, accountability and financial management. Local government should be effective and efficient; and this will be measured by its ability to perform the basic mandate of service delivery.

- Reshaping South Africa's urban environment through **integrated spatial planning and an expansion of the municipal debt market**. Municipalities play a critical role in growing the economy through well-planned and well-managed urbanisation. In order to achieve this, large municipalities require massive investment to stimulate growth, maintain infrastructure and ensure that basic services are provided for growing populations. Over the next three years, the government will roll-out a new approach to local government infrastructure financing. Incentives will be introduced to encourage large urban municipalities to promote more compact, efficient and equitable cities. Planning will focus on developing mixed-use precincts that can help to catalyse economic activity, and on upgrading informal settlements.

Municipalities require capacity to be able to implement the MTSF's priorities for structural reform. This means that the state's capacity to plan, manage and maintain its programmes and infrastructure must improve. Government is providing the following support to enable cities to promote growth and urban spatial transformation:

- A project preparation facility which helps municipalities to build a robust pipeline of well-designed, catalytic projects for implementation;
- The infrastructure delivery management system is being expanded from provinces to large cities; and
- Technical assistance will support the review of borrowing strategies.

In addition, support will be provided to municipalities to improve revenue collection and the management of infrastructure financed from both own revenue and grants. National government will work with municipalities to expand their own contributions to local infrastructure investment, while reforms to the grant system will allow for more flexibility in the design of locally appropriate solutions; thereby facilitating more efficient use of available resources for social infrastructure. Greater integration between the capital investment plans of state-owned companies and city development strategies will also be encouraged.

Government will also work with private investors and development finance institutions to expand debt financing for municipal infrastructure. The Development Bank of Southern Africa (DBSA) is currently examining ways to encourage greater private investment in the municipal infrastructure market through infrastructure bonds, municipal bond underwriting, project

finance and various contracting models. These initiatives will aim to improve liquidity and extend maturities in the municipal bond market – and to encourage, rather than crowd out, private investment. The policy objectives will seek to reshape the urban landscape, through the renewal of investment in affordable housing and lenders will be encouraged to expand the debt-finance market for municipal infrastructure in support of infrastructure investment.

As mentioned above, ***sustainable job creation*** remains a national priority and municipalities must ensure that in drafting their 2015/16 budgets and MTREFs they continue to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

The economic growth plays a critical role in job creation; therefore greater private sector investment in the economy is encouraged. Municipalities must continue to undertake joint planning with their communities and respective business sectors that drive the local economy.

Local government conditional grants and additional allocations

The division of available funds to Local Government has increased to R99.2 billion or 9.1 per cent for 2015/16. This is expected to increase to R110.0 billion by 2017/18. The *Medium Term Budget Policy Statement 2014* indicates that over the 2015 MTEF period, transfers to local government total R313 billion, with 61.4 per cent transferred as unconditional allocations such as the equitable share and sharing of the general fuel levy. The remainder is allocated through conditional grants. As an interim measure municipalities MUST ensure that their tabled budgets reflect the conditional grant allocations set out in the 2015 Division of Revenue Bill.

Municipalities are advised to use the indicative numbers as set out in the 2014 Division of Revenue Act to compile their 2015/16 Medium-term Revenue and Expenditure budgets. In terms of the outer year of the 2015/16 municipal MTREF (2017/18 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as proposed in the 2014 Division of Revenue Act for 2016/17. **These numbers should then be updated once the 2015 Medium-term Expenditure Framework (MTEF) is tabled by the Minister of Finance in Parliament towards the end of February 2015.** The 2015 Medium-term Expenditure Framework will be published the day after the Minister's budget speech on National Treasury's website at: http://www.treasury.gov.za/legislation/acts/2014/Default.aspx

The Medium Term Budget Policy Statement 2014 highlighted that the country's weaker-than-expected economic performance and outlook pose new fiscal challenges. Lowering the expenditure ceiling is one of the measures implemented. Therefore decreases in indicative baselines will be allocated proportionately across national, provincial and local government according to their share of national revenue.

In the case of local government, reductions will only be made to conditional grants and not to the local government equitable share. Reductions will be spread across the grants and larger reductions will be applied to grants that have a history of underspending and non-infrastructure grants. This translates to a reduction in baseline allocations for local government conditional grants of R920.6 million in 2015/16 and R1.4 billion in 2016/17.

The ***Municipal Human Settlements Capacity Grant*** was introduced in 2014/15 to facilitate the development of capacity to manage human settlements programmes in Cape Town, Ekurhuleni, eThekwini, Johannesburg, Nelson Mandela Bay and Tshwane Metropolitan Municipalities. While the process of assigning the housing function is being reviewed, strengthening the capacity of these cities to manage the built environment remains a priority.

Allocations in terms of this grant will be reduced and the structure and conditions of the grant will be amended to reflect these changes. Details will be announced in the 2015/16 Budget.

A new grant is also proposed to fund the anticipated administrative costs of municipalities in KwaZulu-Natal and Gauteng that will be affected by mergers after the 2016 local government elections.

Additions are also proposed for the ***Regional Bulk Infrastructure Grant*** and ***Municipal Water Infrastructure Grant****.* These allocations are intended to allow government to accelerate the provision of clean water to households.

While the review of local government infrastructure grants will continue in 2015, two changes emerging from the review's recommendations so far are proposed for 2015/16:

- Rationalising four grants administered by the Department of Water and Sanitation. These grants, which have overlapping objectives, are the *Municipal Water Infrastructure Grant, Water Services Operating Subsidy Grant, Rural Households Infrastructure Grant* and *Regional Bulk Infrastructure Grant*; and
- Merging the *Public Transport Infrastructure Grant* and the *Public Transport Network Operations Grant* into a single grant that provides more flexibility to cities in choosing public transport solutions.

Changes in the 2014 Division of Revenue Amendment Bill

The Minister of Finance tabled the 2014 Division of Revenue Amendment Bill on 22 October 2014. The details of the changes to municipal allocations and the reasons for these changes are discussed in the explanatory memorandum to the Bill, available on the National Treasury's website at: http://www.treasury.gov.za/documents/mtbps/2014/default.aspx

The 2014 Division of Revenue Amendment Bill includes a rollover of R80.2 million on Municipal Infrastructure Grant for projects in nine municipalities where transfers were stopped in 2013/14. These municipalities are in the Eastern Cape, KwaZulu-Natal, Northern Cape, North West and Western Cape. An amount of R157 million will be transferred to municipalities through the Municipal Disaster Recovery Grant in response to requests for post disaster funding. This is to repair and replace infrastructure damaged as a result of declared disasters that occurred in 2013 and 2014. The changes will be gazetted in December 2014.

The explanatory memorandum to the 2014 Division of Revenue Amendment Bill also sets out technical corrections to the conditional grant frameworks for the Rural Households Infrastructure Grant and the Municipal Human Settlements Capacity Grant.

Strengthening procurement to obtain value for money and combating corruption

A large share of the national budget is spent to build infrastructure, and to procure goods and services. This expenditure contributes to production and jobs throughout the economy. Government must ensure that its procurement processes are prudent, deliver value for money and help to improve service delivery.

An objective of the Office of the Chief Procurement Officer that was established within the National Treasury in April 2013 is to minimise waste and corruption, and ensure that government derives maximum social and economic benefits from every Rand spent.

This centralised oversight of public procurement will also improve efforts to root out tender fraud. Over the next three years, the Office of the Chief Procurement Officer will build a foundation for more cost-effective procurement operations in the public sector. The range and

scope of nationally negotiated contracts will be expanded, a national price-referencing system will be introduced, and government will draw on private-sector expertise and best practice in procurement systems. The fight against corruption also depends on an active citizenry, which the National Development Plan stresses is a precondition for South Africa to achieve its ambitious social and economic objectives.

Local government budget and financial management reforms

Regulation of a 'Standard Chart of Accounts' (SCOA) for local government

The Minister of Finance promulgated the Municipal Regulations on the Standard Chart of Accounts (SCOA) on 22 April 2014. The Municipal Regulations on the Standard Chart of Accounts, Project Summary Document and Detailed Classification Framework of the 7 Segments (SCOA Version 5) can be accessed at:
http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx

Similarly to that of national and provincial government, the municipal SCOA essentially provides for a uniform and standardised financial classification framework by which municipalities are required, at a transactional level, to record all expenditure, revenue, assets and liabilities. While the overall objective and benefits of the municipal SCOA vary, the introduction of the municipal SCOA across all 278 municipalities will undoubtedly improve the ability of municipalities and councils to take informed decisions and improve service delivery outcomes through improved evidence based financial management. Importantly, it will also facilitate the aggregation of budgets and financial performance to ensure 'whole of government' reporting.

In preparation for SCOA implementation by all 278 municipalities by 01 July 2017, the National Treasury has commissioned SCOA Project Phase 4. SCOA Project Phase 4 incorporates various activities including the piloting of the SCOA classification framework in selected municipalities (across all financial systems currently operational in municipalities) with the implementation of the 2015/16 budget (01 July 2015). In addition, as a lead-up to the SCOA implementation by 01 July 2017, there will be a host of change management initiatives including the introduction of a formal training programme.

The selection of pilot municipalities have been finalised and forms part of the SCOA Integrated Consultative Forum. This is a stakeholder engagement forum that was established to oversee and assist stakeholders, vendors and municipalities with the transition to the SCOA classification framework and to date three meetings have taken place. Pilot sites should from 01 July 2015 implement the 2015/16 MTREF in accordance with SCOA classification framework and report accordingly. **Non-piloting municipalities are advised to start comparing their chart of accounts to SCOA in preparation for the implementation in July 2017**.

While non-piloting municipalities do not formally partake in the SCOA ICF, there are a host of immediate activities that need to be undertaken by all municipalities concurrently to the piloting process in preparation for implementation in July 2017. These include, among others:

- Tabling the Municipal Regulations on Standard Chart of Accounts in the municipal council to bring about broader awareness;
- Studying the Regulation, SCOA Project Document, associated Segments and Frequently Asked Questions which can be accessed at the above mentioned website;
- Compilation of a high level project plan and associated activities, including:

- ✓ Identification of a project manager / coordinator within the municipality which should preferably be within the finance department at a senior manager level;
- ✓ Matching the SCOA classification framework to the current chart of accounts (general ledger) currently operational in the municipality and the identification of any anomalies;
- ✓ Matching the Function Segment of the SCOA classification framework to the current vote and cost centre structures and identification of any anomalies;
- ✓ Incorporating all senior managers across the municipality into the project through internal awareness and information sharing;
- ✓ Incorporating the project plan and associated milestones as part of a standing agenda item at the monthly senior manager team meetings; and
- ✓ Tabling a progress report, including a risk matrix at the municipal council on a quarterly basis.

- Attendance of, among others, the provincial CFO Forums which will be used to provide feedback with the piloting process. In addition, there will be sessions scheduled, such as the recent provincial one day SCOA introductory sessions, which will provide further clarity as it relates to the SCOA classification framework. Attendance of these sessions by relevant officials, including the municipal SCOA project manager / coordinator, will be essential if the municipality is to proactively manage any hurdles to ensuring SCOA compliance.

The National Treasury is in the process of finalising a MFMA Circular that will specifically deal with guidance as it relates to the SCOA and SCOA Project Phase 4. The Circular will be released early in 2015 and all municipalities are urged to diligently study the Circular in preparation for full SCOA implementation.

In addition, all queries, clarty seeking questions, challenges and associated issues relevant to SCOA can be directed to the following email address: lgscoa@treasury.gov.za

Financial applications (systems) and the impact of SCOA

Municipalities are reminded that MFMA Circular No. 57 is still in effect and the guidance, processes and procedures provided in the Circular are still applicable. **Currently no system vendor (financial systems) could demonstrate SCOA compliance** and municipalities are therefore strongly advised not to proceed with any configuration or upgrades to their current core financial systems as this could potentially lead to fruitless and wasteful expenditure not to mention exposing the municipality to unnecessary risk as it relates to SCOA compliance. As indicated above, as part of SCOA Project Phase 4 all system vendors have been included in the piloting process and are currently undertaking reconfiguration and upgrades to their system functionality in support of the multidimensional chart as prescribed by the SCOA Regulations.

Only once the piloting process has been finalised will the National Treasury be in a position to issue a follow-up MFMA Circular to MFMA Circular No. 57. It is envisaged that the objectives of the piloting process will be finalised towards the end of the first quarter of the 2015/16 financial year subsequent to which the follow-up MFMA Circular will be issued.

Notwithstanding the abovementioned facts, municipalities continue to replace their current financial applications against the guidance supplied in MFMA Circular No. 57. While it is acknowledged that in some cases municipalities feel that limitations associated with their current financial system functionality is impeding overall performance improvements, municipalities are advised to proceed with the outmost caution. Municipalities should follow the procedures and processes as outlined in MFMA Circular No. 57 and attempt to keep any decisions relating to changing financial systems in abeyance until the finalisation of the piloting process. In the interim, the National Treasury is of the opinion that each case should be

managed based on the unique circumstances and challenges experienced by each municipality.

Furthermore, municipalities are advised that in many cases the implementation of the SCOA classification framework could be considered a reimplementation of a financial system as it relates to take on balances of previous financial years and setting up of a new general ledger. Consequently the opportune time to change financial applications would in most cases be with the implementation of the SCOA classification framework and will undoubtedly be the most cost efficient approach. Further guidance in this regard will be provided in the MFMA Circular that will be issued in early in 2015.

Headline inflation forecasts

Municipalities must take the following inflation forecasts into consideration when preparing their 2015/16 budgets and MTREF. This information will be updated in a further Budget Circular to be issued after the tabling of the National Budget.

Fiscal year	**2014**	**2015**	**2016**	**2017**	**2018**
	Actual	**Estimate**		**Forecast**	
CPI Inflation	5.6%	6.2%	5.8%	5.5%	5.3%

Source: Medium Term Budget Policy Statement 2014

Revising rates, tariffs and other charges

Operating Revenue

Municipal revenues and cash flows are expected to remain under pressure in 2015/16 due to the state of the economy; therefore municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities should also pay particular attention to managing all revenue and cash streams effectively, by paying particular attention to their revenue management processes and procedures.

Municipalities are therefore required to realistically provide for revenue as part of the statement of financial performance, cash flow and capital programme.

Another challenge identified was that municipalities are not able to set cost-reflective tariffs as advised in previous circulars because the cost drivers are not known. Municipalities are advised to determine the costs per service in determining tariffs. The use of tariff models will not yield positive results in municipalities that do not know their cost drivers as would any financial model based on incorrect information.

When municipalities and municipal entities revise their rates, tariffs and other charges for the 2015/16 budgets and MTREFs, they need to take into account the primary and secondary costs of services provided, local economic conditions and affordability of services to ensure financial sustainability.

National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities ***must justify in their budget documentation all increases in excess of the 6.0 per cent*** upper boundary of the South African Reserve Bank’s inflation target in the budget narratives.

Management accounting and tariff setting

A costing guideline will be issued to respond to the demand by local government practitioners for guidance and tools in the costing of services rendered to consumers. The guideline is informed by the outcome of a pilot study that was undertaken. It addresses the inability to produce consistent data by municipalities on the cost of rendering a trading service.

This process will assist practitioners to improve their understanding of the principles and techniques of cost allocation. The adopted methodology is based on a consistent approach across municipalities, functions and projects, and so allow for cost comparisons and benchmarking. In addition, the information will be critical for tariff setting not only across main trading services but also in ensuring transparency in revenue generated across consumer categories. The process will also assist municipalities to better understand their costs and the factors that have the greatest influence on these costs (i.e. the cost drivers).

The rationale and concepts explained in this guideline envisage the establishment of a shared understanding among the various roleplayers involved.

Interpretation of section 43 of the MFMA

The municipal electricity tariff increase is regulated in terms of the Municipal Finance Management Act (MFMA) and the Electricity Regulation Act (ERA). ERA empowers NERSA to determine electricity tariffs to be charged by municipalities on an annual basis. The MFMA prescribes the timelines within which NERSA must finalise the process of determining the municipal tariff for a financial year.

Section 43 of the MFMA deals with the applicability of tax and tariff capping on municipalities

Section 43 of the MFMA requires an organ of state (NERSA) to make a determination of the municipal tariff increase on or before 15 March in a year for the tariff to be effective in 1 July of that year. If the determination is done after 15 March in a year, such determination will take effect 1 July in the next year. For example, if NERSA advises a municipality of its tariff determination by 15 March 2015, the tariff determination by NERSA with respect to the municipal electricity tariffs will be effective from 1July 2015 but if NERSA fails to inform a municipality of its determination by 15 March 2015, the tariff determination by NERSA will only be effective from 1 July 2016. This implies that municipalities must submit their tariff applications before 15 March to enable NERSA to comply with the stipulated deadline (15 March).

Municipalities are also required in terms of section 16(2) of the MFMA to table the municipal budget in council no later than 31 March. The annual budget must be accompanied by amongst others draft resolution for imposing any municipal tax and setting any municipal tariffs as may be required for the budget year. The tabled municipal budget must be published for consultation with their local community and their views must be considered before the municipal council approves the budget.

With respect to electricity tariffs, NERSA determines the maximum tariffs that should be imposed by each municipality and they can be adjusted downwards depending on the circumstances of each municipality and resolution taken by the municipal council. A municipality may not charge a customer a higher tariff than that approved by NERSA. Therefore the determination made by NERSA should be used as a basis for consultation with local community and may be adjusted downward depending on the outcomes of the consultations. In cases where the outcomes of the consultations necessitate upward adjustment of the tariffs, a municipality should apply to NERSA for the review of the tariffs

through an appeal process which is provided for in the Electricity Regulation Act. This should also be done in time to ensure that the processes are finalised before the approval of budget by municipal council.

NERSA's process to approve electricity tariffs

Municipalities will submit tariff applications from December 2014 aligned with the requirements of section 43 of the MFMA and subsequently NERSA will endeavour to finalise and complete all municipal tariff applications by 15 March 2015.

NERSA held workshops and one-on-one interactions with municipalities per province in order to assist municipalities with the completion of the D-forms. This process ran parallel with the submission of the D-forms. Municipalities are urged to ensure that correct and accurate information is submitted timeously to NERSA in order to ensure that proper analysis is done, and approval of tariff applications is achieved timeously.

In this regard municipalities are reminded to submit all outstanding D-forms to NERSA as a matter of urgency as the deadline for submission was 31 October 2014. NERSA will not be in a position to evaluate municipal tariff applications in the absence of complete D-forms. It is important that municipalities and NERSA work together to ensure that the process of approving electricity tariffs are finalised before 30 June 2015.

Eskom bulk tariff increases

Municipalities are advised to structure their 2015/16 electricity tariffs based on the **12.69 per cent** guideline and provide for a **14.24 per cent** increase in the cost of bulk purchases for the tabled 2015/16 budgets and MTREF. Any changes to these guidelines will be communicated to municipalities in a further Budget Circular for the 2015/16 financial year to be issued shortly after the tabling of the National Budget.

National Treasury supports the use of the following formula, proposed by NERSA, for calculating municipal electricity tariff increases:

MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)

Where:

MG = % Municipal Guideline Increase
B = % Bulk purchases
BPI = % Bulk purchase increase
S = % Salaries
SI = % Salaries increase
R = % Repairs
RI = % Repairs increase
C = % Capital charges
CCI = % Capital charges increase
OC = % Other costs
OCI = % Other costs increase

All cost shares and increases must relate to the electricity function of the municipality

The formula for calculating the guideline:
MG = (B x BPI) + (S x SI) + (R x RI) + (C x CCI) + (OC x OCI)
= (73 x 14.24) + (10 x 7.3) + (6 x 6.3) + (4 x 6.3) + (7 x 6.3)
= 10.40 + 0.73 + 0.38 + 0.25 + 0.54
= 12.20%

Municipalities are urged to examine the cost structure of their electricity undertakings and apply to NERSA for electricity tariff increases that are cost reflective and ensure continued financial sustainability.

Where a municipality's evaluation of its cost structure results in a lower or higher tariff increase to that proposed by NERSA, the municipality must structure its tariffs accordingly and ensure it provides the necessary motivation and information in its tariff application to NERSA. Municipalities must refer to NERSA's 'Consultation paper for municipal tariff guideline benchmarks for 2015/16 financial year' for requirements on approving tariffs above the guideline, which can be accessed at www.nersa.org.za.

Water and sanitation tariffs must be cost-reflective

If a municipality's water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase-in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time. ***As per the guidance in various previous Budget Circulars, municipalities were expected to apply cost reflective tariffs in the 2014/15 MTREF for both water and sanitation***. Should this not be the case, municipalities will be required to clearly articulate the reasons and remedial actions to rectify this position in their budget document.

To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service, and not simply attributed to water losses.

Funding choices and management issues

Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 31 June 2015 has come to an end. In the absence of other information from the South African Local Government Bargaining Council, municipalities are advised to budget for a 5.8 per cent cost-of-living increase adjustment to be implemented with effect from 01 July 2015 (in line with the increase proposed in the 2014 MTBPS). Municipalities must further use the inflation forecast to project increases in the outer years.

General –Expenditure (Cost-containment measures and non-priority spending)

Building on cost containment guidelines approved by Cabinet in October 2013, government at all levels will need to identify opportunities to increase efficiency and reduce waste. At a national level, the 2015 budget will pay particular attention to reducing line items that are not critical to service delivery to reinforce cost containment. Municipalities are still urged to implement the cost containment measures on six focus areas namely, consultancy fees, no credit cards, travel and related costs, advertising, catering, events costs and accommodation.

Related to cost-containment measures is the elimination of non-priority spending. The National Treasury has continuously through circulars provided advice to municipalities to eliminate non-priority spending. It was noted that there are municipalities that continue to excessively sponsor music festivals and arts festivals. With the implementation of cost-containment measures, municipalities must control unnecessary spending on nice-to-have items and non-essential activities. Municipalities are urged to refer to MFMA Circular 70 on examples of non-priority expenditure that must be eliminated.

The use of consultants

The National Treasury (Office of the Chief Procurement Officer) has observed that many municipalities make use of consultants and other service providers in the course of daily operations. Owing to the fact that that there are no standardised tariffs and rates currently regulated as it relates to professional service providers and consultants, many municipalities are charged exorbitant fees for such services.

The response received from municipalities on the VAT reconciliation questionnaire indicates that most municipalities use consultants to review and submit these returns to the South African Revenue Services (SARS). Municipalities are advised to refrain from the use of consultants and other service providers in completing or reviewing their VAT returns. It is the responsibility of the Chief Financial Officer to review the VAT returns.

Budgeting for unfunded/ underfunded mandates

In previous budget years, it was noted that a number of municipalities are budgeting for unfunded/underfunded mandates. The South African Cities Network (SACN, 2007:78) defines an unfunded/underfunded mandate as when municipalities perform the functions of other spheres of government and bear significant costs out of their own revenue sources. These unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is being allocated to non-core functions at the expense of basic service delivery.

One of the main objectives of local government is to ensure the provision of basic services to communities. Section 153 of the Constitution requires that budgeting processes must prioritise the basic needs of the community. Municipalities must therefore prioritise the provision of basic services such as electricity, water, sanitation and refuse removal in their MTREF budgets. Municipality may only budget for non-core functions such as crèches, sports fields, libraries, museums, health services, etc. if:

- The function is listed in Schedule 4B and 5B of the Constitution;
- The function is assigned to municipality in terms of national and provincial legislation;
- The municipality has prioritised the provision of basic services; and
- It does not jeopardise the financial viability of the municipality.

Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government. However it will not constitute an unfunded / underfunded mandate if the municipality provides services beyond what is stipulated in the service level agreement.

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *<u>Mayor's discretionary funds and similar discretionary budget allocation</u>* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *<u>Unallocated ward allocations</u>* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects

are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).

3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional Grant transfers to municipalities

As indicated above, National Treasury will issue a further Budget Circular for the 2015/16 financial year shortly after the tabling of the National Budget. This Circular will deal with any new conditional grant issues and processes related to the management of conditional grants.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.

2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
   - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
   - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants –* It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

Since 01 July 2009, all municipalities and municipal entities must prepare their annual budgets, adjustments budgets and in-year reports for the 2015/16 financial year in accordance

with the Municipal Budget and Reporting Regulations. In this regard, municipalities must comply with both:

- The formats set out in Schedules A, B and C; and
- The relevant attachments to each of the Schedules (the Excel Formats).

If a municipality fails to prepare its budget, adjustments budget and in-year reports in accordance with the relevant formats,

- The municipality will be required to resubmit their documentation in the regulated format by a date determined by the National Treasury;
- The municipality's non-compliance with the required formats will be reported to the Auditor-General; and
- A list of municipalities that fail to comply with the required formats will be tabled in Parliament and the provincial legislatures.

Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa Katlego Mabiletsa	012-315 5539 012-395 6742	Vincent.Malepa@treasury.gov.za Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	Kgomotso.Baloyi@treasury.gov.za Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha Walter Munyai	012-315 5936 012-315 5171 012-395 6793	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell Mlungisi Mthembu	012-315 5661 012-315 5725 012-395 6554	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

Addressing gaps identified in municipalities budgets

It is the sixth year of the implementation of the Municipal Budget and Reporting Regulations and it is acknowledged that there is improvement in the number of municipalities complying with the required formats. However the quality of data contained in the A schedules and

supporting table is still a challenge. Municipalities should consider the following when compiling the 2015/16 MTREF budgets:

Budgeting for revenue on Table A2

Municipalities must include capital transfers and contributions in total operating revenue budgeted for on table A2. The total revenue will reconcile to operating revenue plus capital transfers and contributions as on table A4.

Budgeting for Asset Register value on Table A9

The total asset register summary – PPE (WDV) must include the capital budget expenditure for the budget year. e.g. 2015/16 total asset register summary should include the capital expenditure for 2015/16. Municipalities must ensure that the capital expenditure aligns to Table a5.

Completion of service delivery information on Table A10

It was observed that the completion of table A10 is still a challenge to most municipalities. During the assessment of the 2014/15 MTREF, it was observed that the table lacked credibility and municipalities were requested to make amendments and resubmit.

Municipalities must ensure that the table is correctly completed and accurate to depict their actual position. The information on the cost of providing free basic services and the revenue cost of providing services must be completed. In completing table A10 care must be given to the required unit of measure i.e. kilolitres, kilowatt-hour etc.

Budgeting for revenue foregone and free basic services to indigents

Regardless of the guidance provided on MFMA Circular 51 in relation to budgeting for revenue foregone, it was evident during the 2014/15 budget assessment process that municipalities are struggling to distinguish between revenue foregone and transfers and grants expenditure on table A4.

The key concept in determining the difference between revenue foregone and grants expenditure, is that a rates rebate that is 'generally available to all' is in practice an adjustment to the rates tariff. Therefore, the revenue was never there to be collected (the revenue was foregone), and should therefore not be considered to be revenue in the first instance. This is why it is deducted on Table SA1 - and the net amount is reflected on Table A4.

The provision of free basic services to the indigents must be budgeted for as non-cash flow grant expenditure on Table A4 supported by Table SA21. Since the municipality will not collect any revenue from indigents and free basic services to indigents are funded through the Equitable Share, this constitutes grant expenditure.

Tabling funded budgets

In MFMA Circular no. 72 it was highlighted that municipalities must budget for a surplus operating budget. National Treasury received enquiries from municipalities highlighting that the circular is in contradiction with MFMA Circular no. 55 which referred to budgeting for operating deficit. It should be noted that MFMA Circular no. 55 encouraged municipalities to budget for a moderate surplus on its Financial Performance Budget so as to be able to contribute to the funding of the Capital Budget. When the circular was issued, it was highlighted that there may be temporary circumstances that make this difficult; for instance the

implementation of GRAP 17, which may result in increased 'depreciation and asset impairment' that is not fully accommodated in the municipality's tariffs and as a result drives the operating budget into deficit.

MFMA Circular no. 59 was accordingly issued during March 2012, whereby table SA1 was amended to include under the detail of 'depreciation and asset impairment' 'depreciation resulting from the revaluation of PPE'. The effect is that the depreciation resulting from the revaluation of PPE will be deducted from the total depreciation on PPE, resulting in only the depreciation on the cost price being reflected in the statement of financial performance as an expense. Therefore, if the municipality's operating budget shows a deficit it is indicative that there are financial imbalances that need to be addressed. These problems may be related to a failure to collect revenues, tariffs that are too low or expenditures that are too high. The municipality needs to put in place appropriate strategies to address the problems causing a deficit, and explain these measures in its budget document.

It is critical that municipalities adopt and implement funded budgets as per Section 18 of the MFMA. Tables A7 and A8 which if completed correctly by the municipality, it will provide most of the information required to evaluate whether a municipality's operating and capital budgets are **funded** or not:

- *Table A7 Budgeted Cash Flows* shows how the municipality's operations are expected to impact on its cash position. If a municipality's cash position at year end is negative it is a strong indication that the overall budget is not funded; and
- Table A8 Cash-backed reserves / accumulated surplus reconciliation shows whether the municipality has sufficient cash and investments available to finance commitments and short term provisions and reserves. If the net results reflect a shortfall, this is an indication that the budget is not funded.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition of 'revenue foregone' and how it is distinguished from 'transfers and grants' is explained in MFMA Circular 51.
2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality's annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).

Budget process and submissions for the 2015/16 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process.

Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. The deadline for such submissions is Friday, **10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. So if the council only approves the annual budget on 30 June 2015, the date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com and inform the National Treasury official responsible for your province that the budget was submitted to this address to ensure that National Treasury is aware of your submission. Any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents
Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents
Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

After receiving tabled budgets, National Treasury will complete a compliance checklist. This checklist will indicate the level of compliance to the Municipal Budget and Reporting Regulations. A copy of the checklist will be sent to the municipality in order to facilitate

improvements in the quality of tabled and approved budgets. Please review the municipality's previous year performance and ensure that the gaps are addressed.

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) approved by council on 31 May 2015 to Yasmin.coovadia@treasury.gov.za.

Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

Reporting in terms of section 71

Performance reporting template – all 278 municipalities must complete the quarterly SDBIP performance reports on the prescribed template as circulated with the request to verify the S71 quarterly reports and submit to lgdocuments@treasury.gov.za as it forms part of quarterly reporting.

Unbundling of debt – the debtors age analysis return makes provision for municipalities to select the category of the government department owing them. However municipalities capture the figures without selecting the relevant government department when completing the return. As the database stores the figures against a department, these unidentified departmental figures can therefore not be stored which results in discrepancies on the amount owed by individual government departments when compared to the total.

Municipalities must ensure that all figures are captured against a selected national or provincial department on the Age Debtors Analysis for Government (ADG) worksheet and are balanced.

Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
12 December 2014

Annexure A – Changes to Schedule A1 – the 'Excel formats'

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula.	Ensure that funding and expenditure balances.
2	A6	Insertion of a validity check formula.	Ensure that net assets and total community wealth balances.
3	A7	Insertion of receipts from property rates and service charges line items. Insertion of formulae linking A7 to SA30 for the MTREF.	Simplification of data gathering for determining the collection rate from main services.
4	A10	Insertion of new footnote.	Improve reporting of services provided including informal settlements.

NATIONAL TREASURY

MFMA Circular No. 75

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2015/16 MTREF

This circular provides further guidance to municipalities and municipal entities for the preparation of their 2015/16 Budgets and Medium Term Revenue and Expenditure Framework (MTREF). It must be read together with all previous MFMA Budget Circulars, and specifically MFMA Circular No. 74.

CONTENTS

1. Key focus areas for the 2015/16 budget process

1.1 The Medium Term Budget Review 2015

The 2015 Budget Review notes that the global economic outlook has weakened and the pattern of slow growth is likely to persist, with consequences for all developing economies. South Africa's gross domestic product (GDP) forecast for 2015 has also been revised down. The National Treasury projects GDP growth of 2 per cent in 2015, rising to 3 per cent by 2017. Average growth over the forecast period is 0.4 percentage points lower than at the time of the 2014 *Medium Term Budget Policy Statement.* Inadequate electricity supply, however, will impose a serious constraint on output and exports over the short term.

The slowdown in economic growth since 2012 has highlighted structural constraints in the domestic economy. Achieving faster sustainable growth and large-scale job creation will require structural shifts in the economy, stronger supply-side value chains, higher exports, moderation in wage increases and, crucially, growing private-sector investment based on confidence in the long-term business environment.

The 2015 Budget allocates resources to core social and economic priorities while containing aggregate expenditure growth. Spending plans give effect to the priorities of the NDP and the MTSF. Initiatives under way include: large public-sector infrastructure investments in electricity and transport; expanded partnerships to encourage private investment; better cooperation between government, the private sector, trade unions and civil society; incentives to attract new entrants in the economy; special economic zones to boost exports; programmes to reshape the urban spatial landscape; and programmes to improve the quality of education and skills development.

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures) and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result municipalities' revenues and cash flows are expected to remain under pressure. Furthermore municipalities should carefully consider affordability of tariff increases, especially as it relates to domestic consumers while considering the level of services versus the associated cost.

2. Division of Revenue Bill 2015

2.1 Transfers to local government 2015

Over the 2015 MTEF period, R313.7 billion will be transferred directly to local government and a further R31.9 billion has been allocated to indirect grants. Direct transfers to local government in 2015/16 account for 9.1 per cent of national government's non-interest expenditure, and when indirect transfers are added, total spending on local government increases to 10 per cent of national non-interest expenditure.

The 2015 Budget Review and the Division of Revenue Bill provides for no reductions to the baseline of the local government equitable share in order to protect funding for free basic services. The baseline allocation for local government conditional grants, however, has been reduced in the 2015 Budget as part of the fiscal adjustment announced in the 2014 *Medium Term Budget Policy Statement*. The reductions in 2015/16 range between 0.9 per cent and 5.5 per cent of the allocation for each grant, with larger reductions on slow-spending and non-infrastructure grants. In order to maintain planned outputs and ease the impact of reductions, grant administrators and municipalities need to spend funds efficiently and effectively and alleviate any unnecessary (non-priority) spending.

The allocations for priority grants such as the *integrated national electrification programme (INEP) grant* and the *municipal water infrastructure (MWIG) grant* will grow significantly. Over the MTEF, the INEP grant grows at an average annual rate of 14.9 per cent and the MWIG at an average of 52.2 per cent, including both direct and indirect grant allocations. An addition of R2.4 billion has been made to the MWIG and the *regional bulk infrastructure grant* over the MTEF period to accelerate the provision of basic water supply to all households and improve the state of water services infrastructure nationwide.

A new grant has also been introduced to subsidise the costs of municipalities that will be merged before the 2016 local government elections as a result of demarcation changes. This grant is allocated R139 million over the MTEF specifically for municipalities that will be impacted by the changes in KwaZulu-Natal and Gauteng. The effect of further changes to demarcations proposed by the Minister of Cooperative Governance and Traditional Affairs and currently being considered by the Municipal Demarcation Board (MDB) will be considered as part of the 2016 budget process for any changes that are approved by the MDB. Municipalities should therefore not budget for the proposed changes in 2015/16.

The 2015 Budget document is available on the National Treasury website at:

http://www.treasury.gov.za/documents/national%20budget/2015

In addition, National Treasury will send out allocation letters informing each municipality of its equitable share, national conditional grants and provincial transfers (as reflected in the relevant provincial budget and gazette).

Municipalities must ensure that their tabled budgets reflect the equitable share and conditional grant allocations set out in the 2015 Division of Revenue Bill.

2.2 Changes in the 2015 Division of Revenue Bill

Review of local government infrastructure grants

The collaborative review of the local government infrastructure grant system led by the National Treasury is still underway. The first phase of the review, completed in 2014, identified two necessary reforms that will be made in 2015/16:

- The rules in the *municipal infrastructure grant* will be amended to allow funds to be used to refurbish and replace infrastructure, but only if municipalities demonstrate that assets have been maintained on a regular basis. Maintenance must be budgeted for as part of the normal business of municipalities.

- The number of conditional grants will be reduced to ease the burden of grant reporting. The two public transport grants will merge in 2015/16 into a single *public transport network grant*. The number of water and sanitation grants is also likely to be reduced from 2016/17.

Further changes to local government infrastructure grants will be announced in the 2015 MTBPS. In preparing for 2016/17 grant allocations, municipalities are advised to continue preparing business plans and project plans for the existing grants as there will be a phase-in period for any changes to the grant system.

The *local government financial management grant (FMG)* and the *municipal systems improvement grant* (*MSIG)* provides funds for the implementation of the Municipal Standard Chart of Accounts (mSCOA).

Other changes to local government allocations are more technical and reflect the shift of funds between direct and indirect grants, and the impact of the national macro-organisation of the state that followed the 2014 national elections. For example, the sanitation function, including all sanitation-related grants, has shifted from the Department of Human Settlements to the Department of Water and Sanitation.

2.3 Shaping urban development to support growth in cities

South Africa's cities continue to reflect the spatial legacy of apartheid, which impedes economic growth. Cities must play a leading role in driving urban investment programmes, including a pro-active role in introducing new financing arrangements. Over the next three years, government will expand investment in the urban built environment, using resources more effectively to transform human settlements, and drawing in private investment to support more dynamic and inclusive economic growth. The 2015 Budget inaugurates a fundamental realignment in achieving these goals.

The National Treasury will introduce a new fiscal package to help large cities to mobilise the resources necessary to implement strategic investment projects. All participating metros are expected to make measurable commitments to good governance, and effective revenue and expenditure management. The new package includes:

- Modifying the infrastructure grant system to support greater alignment of public resources and to ensure that public investments, services, regulations and incentives are focussed in defined spatial areas (integration zones) to optimise overall access, connectivity and efficiency enabling spatial transformation and inclusive urban economic growth;

- Development of mixed-use and mixed-income precincts and catalytic projects to attract private financial and implementation partnerships. Grants will be consolidated, conditions streamlined, and allocations made more predictable and responsive to the needs of specific investment projects. Furthermore, performance-based allocations to reward cities that demonstrate progressive changes in their urban form, improve access to basic services, reduce barriers to social and economic opportunity, and improve mobility of urban residents will be strengthened;

- Focusing the Neighbourhood Development Partnership Grant to support the identification, development and management of strategic nodes in dense urban townships and township clusters in order to serve as transit orientated precincts;

- Reforming the system of development charges to improve fairness and transparency, and reduce delays in infrastructure provision for private land developments;

- Expanding opportunities for private investment in municipal infrastructure through the Development Bank of Southern Africa (DBSA) increasing its origination of longer-term loans, packaging pooled finance instruments, where appropriate, and supporting the introduction of new lending instruments such as revenue bonds; and

- Reviewing the sustainability of existing own-revenue sources for metropolitan municipalities, particularly in light of their expanding responsibilities in public transport and human settlements.

Metropolitan municipalities should announce further details on their investment plans when they table their 2015/16 budget. Furthermore, cities need to improve their collection of own revenue as a greater share of capital investment needs to come from own generated revenue, in partnership with the private sector.

3. Headline inflation forecasts

Municipalities must take the following macro-economic forecasts into consideration when preparing their 2015/16 budgets and MTREF.

Fiscal year	2014	2015	2016	2017	2018
	Actual	Estimate		Forecast	
Real GDP growth	2.2	1.4	2.0	2.6	3.0
CPI Inflation	5.8	5.6	4.8	5.9	5.6

Source: Budget Review 2015

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

4. Revising rates, tariffs and other charges

4.1 Eskom bulk tariff increases

On the 29 January 2015, NERSA approved and published guidelines on municipal electricity price increase for the 2015/16 financial year. A guideline increase of **12.20 per cent** has been approved based on the following assumptions:

- Bulk purchases have increased by 14.24 per cent in line with Eskom's electricity tariff increase to municipalities;
- A consumer price index (CPI) of 6.3 per cent as indicated in the Medium Term Budget Policy Statement (MTBPS) 2014;
- Salary and wage increases; and
- Repairs and maintenance, capital charges and other costs have increased by the CPI.

It should be noted that the guideline is not an automatic increase in tariffs. Therefore all municipalities with distribution licenses are still required to apply to NERSA for the approval of their tariffs.

4.2 Electricity levy increase

During his budget speech on 25 February 2015, the Minister of Finance announced that the electricity levy will be increased by 2 cents per kWh. A special municipal circular will be issued in due course to guide municipalities on the implementation of the 2 cents per kWh electricity levy. In the interim municipalities are advised to use the guideline issued by NERSA to set their tariffs for the 2015/16 financial year.

5. Funding choices and management issues

5.1 Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2012 to 30 June 2015 has come to an end. The South African Local Government Association issued a press release on 03 March 2015 indicating that it tabled the following offer for salaries and wages increase:

- *2015/16 Financial Year – 4.4 per cent (inflation linked)*
- *2016/17 and 2017/18 Financial Years – inflation related increase plus additional 0.25 per cent*

As the negotiations are still underway, municipalities are advised to use the above proposed guidelines in preparing their 2015/16 budgets.

5.2 Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in line with the gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published by the Department of Cooperative Governance and Traditional Affairs. The gazette for 2015 will be released in due course. Municipalities are advised to refer to the circular issued on 23 January 2015 by the Department of Cooperative Governance and Traditional Affairs.

5.3 Budgeting for contingency plans for prolonged power outages

Municipalities have indicated that they are in the process of implementing contingency plans to address Eskom power outages such as the procurement of generators and indicated the need for funding from national government. The government is collectively working with Eskom to mitigate the impact of power cuts. These efforts will improve the availability of electricity over the medium term, and plans are under way to ensure that South Africa can generate sufficient energy to power its economy over the long term. The government therefore consistently encourages a reduction in energy consumption and promotion of energy efficiency.

Consequently the response from government is to address the immediate challenge and it would therefore be premature for municipalities to invest in contingency infrastructure with the expectation of funding.

5.4 Service level standards

MFMA circular No. 72 indicated that all municipalities must formulate service level standards which must form part of the 2015/16 tabled MTREF budget documentation. The service level standards need to be tabled before the municipal council for formal adoption. A broad guideline was provided on the minimum service standards to be incorporated in the budget documentation. In addition to the guideline, a framework was developed as an outline to assist municipalities in finalising their service level standards. The outline can be accessed by clicking **HERE**.

It is acknowledged that it is not possible to have the same service level standards across all municipalities. Therefore the outline must be used as a guideline and be amended accordingly to align to the municipality's specific circumstances. Municipalities should also refer to other guidelines issued by other institutions available on the link indicated above.

5.5 Non-payment of Eskom and water boards as creditors

Section 65(2)(e) of the Municipal Finance Management Act, 2003 (MFMA, Act No. 56 of 2003) clearly states that "The accounting officer of a municipality is responsible for the management

of the expenditure of the municipality" and "that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

It has become a common trend between certain municipalities that outstanding debt to Eskom and the water boards is not prioritised for payment. ***Municipalities are cautioned that if they do not immediately settle the current accounts of Eskom and the water boards, the March 2015 tranche of the Equitable Share will be withheld.*** In addition, the payment arrangements to address arrear amounts must be concluded by relevant municipalities, implemented and effected in the budget.

Furthermore, going forward municipalities will be closely monitored and those found to be averting payment to Eskom and the water boards will be deemed as contravening the MFMA and consequently section 216(2) of the Constitution will be imposed.

Municipalities are also reminded of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, which the Minister of Finance promulgated on 31 May 2014. Failure by the Accounting Officer to comply with the requirements of section 65(2)(e) of the MFMA is an act of financial misconduct as defined in section 171 of the MFMA and municipalities is obliged to deal with such breach in terms of the regulations mentioned above.

5.6 VAT on Conditional Grants

Guideline was provided in MFMA Circular No. 58 that ALL conditional grant allocations in the Division of Revenue Act (DoRA) are VAT inclusive, i.e. national government has budgeted to pay the VAT inclusive price of the goods and services purchased by municipalities using conditional grant funding. Further guidelines were issued in MFMA Circular No. 59 on assessing VAT consequences of transactions involving the equitable share grant and conditional grants.

It is critical that municipalities distinguish between the following:

- *Transaction one – the transfer of funds from national or provincial government to a municipality*. The VAT on these transactions is zero-rated, and therefore the issue of paying and reclaiming VAT related to these transactions does not arise.

- *Transaction two – the expenditure of the grant funds by the municipality*. These transactions are subject to the normal VAT provisions. Depending on the nature of goods and services purchased the municipality may or may not be required to pay input VAT.

Municipalities are still advised to follow the guideline provided in the above-mentioned circulars as the position has not changed. Further reference should also be made to the **VAT 419 Guideline for Municipalities**.

6. mSCOA Training

6.1 Non-accredited training

The National Treasury will embark on non-accredited training for pilot municipalities during April and May 2015 as per the dates in the table below. Please note that this training is only for pilot municipalities, applicable vendors and provincial treasuries. The training will be on a nomination and invitational basis.

Province	Dates

Province	Date
KwaZulu-Natal	14-15 April 2015
Limpopo	
Mpumalanga	
Free State	
Northern Cape	
Eastern Cape	21-22 April 2015
Western Cape	
Gauteng	5 – 6 May 2015
North West	

Non- accredited training will be provided to the metropolitan municipalities in 2 sessions on 05 and 06 May 2015. This training is intended to provide piloting stakeholders with a broader understanding of the mSCOA classification framework, typical transactional environment and linkage to reporting as part of the piloting output.

6.2 Accredited training

The National Treasury is in the process of developing the necessary unit standards for municipal SCOA (mSCOA). These unit standards will be accredited by LGSETA during the 2015 calendar year. National Treasury will develop unit standards aligned training material that will be accredited by LGSETA to be rolled out to all municipalities from the beginning of the 2016 calendar year.

National Treasury will also embark on a process of accreditation of service providers and more particularly facilitators and assessors to be able to roll out the unit standard aligned training from the beginning of the 2016 calendar year and guidelines in this regard will be issued towards the end of 2015.

6.3 mSCOA training provided by service providers

National Treasury is aware of the need to train all municipalities on mSCOA within a tight timeline to ensure that municipalities are in the position to be mSCOA compliant by 01 July 2017. On the same token National Treasury is aware of service providers engaging with municipalities that are offering mSCOA training. **Municipalities need to take note that currently there is no formal unit standard and no service provider can offer accredited training as it relates to the mSCOA. Consequently, municipalities are advised to refrain from entering into agreements with training service providers as it would constitute fruitless and wasteful expenditure.**

It is however acknowledged that there exists a need for broader mSCOA awareness and municipalities are advised to directly contact the National Treasury and respective Provincial Treasury to facilitate and consider these requests. Service providers that are approached to facilitate such awareness sessions should also directly liaise with the National Treasury. Municipalities are reminded to adhere to the supply chain management requirements at all times. In this regard municipalities are informed that there are limited specialists in this field at this point in time.

Please note that the current material available on the National Treasury's website (One day training – Demystify mSCOA) is available for use by all parties and no service provider is allowed to charge any fee for this material.

7. Conditional Grant Transfers to Municipalities

Section 214 of the Constitution provides for national government to transfer resources to municipalities in terms of the annual DoRA to assist them in exercising their powers and

performing their functions. These allocations are announced annually in the national budget. Transfers to municipalities from national government are supplemented with transfers from provincial government. Furthermore, transfers are also made between district municipalities and local municipalities.

The DoRA provides for funds to be allocated in different 'schedules'. Each of the schedules provide for grants of a particular type as follows:

Schedule 1		Equitable division of revenue raised nationally among the three spheres of government
Schedule 2		Determination of each province's equitable share of the provincial sphere's share of revenue raised nationally (as a direct charge against the National Revenue Fund)
Schedule 3		Determination of each municipality's equitable share of the local government sphere's share of revenue raised nationally
Schedule 4	Part A	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets
	Part B	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets
Schedule 5	Part A	Specific purpose allocations to provinces
	Part B	Specific purpose allocations to municipalities
Schedule 6	Part A	Allocations-in-kind to provinces for designated special programmes
	Part B	Allocations-in-kind to municipalities for designated special programmes
Schedule 7	Part A	Allocations to provinces for immediate disaster response
	Part B	Allocations to municipalities for immediate disaster response

It is important that the transfers applicable to municipalities are made transparently, and properly captured in municipalities' budgets. In this regard, regulation 10 of the *Municipal Budget and Reporting Regulations* provides guidance on when municipalities should reflect a transfer or donation in their budgets. Note that promises of funds that do not meet the requirements set out in regulation 10 must not be included in the municipality's budget.

Municipalities are advised not to provide for transfers from national or provincial departments that are not gazetted in terms of the 2015 Division of Revenue Act (once enacted) or the relevant provincial budget, or for which a properly approved agency agreement is not in place. Such ad hoc transfers are very often unauthorised expenditure at the national and provincial level, and are invariably related to fiscal dumping.

Also note that grants-in-kind (e.g. capital assets transferred by a district to a local municipality) need to be budgeted for as a 'transfer or grant' on Table A4 by the district municipality (and not on their Table A5 (Budgeted Capital Budget – since the expenditure does not get capitalised), and as a 'contributed asset' on Table A4 (Budgeted Financial Performance) by the local municipality, and from there directly on Table A6 (Budgeted Financial Position).

In support of regulation 10 of the *Municipal Budget and Reporting Regulations*, the 2015 Division of Revenue Bill provides that –

1. In terms of section 16, National Treasury is required to publish in the *Government Gazette* the allocations and indicative allocations for all national grants to municipalities;
2. In terms of section 30, each provincial treasury is required to publish in the *Government Gazette* the allocations and indicative allocations per municipality for every allocation to be made by the province to municipalities from the province's own funds; and
3. In terms of section 29, each category C municipality must indicate in its budget all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction.

The Government Gazette reflecting the allocations and indicative allocations for all national grants to municipalities will be available within 14 days of the 2015 Division of Revenue Act being signed into law at the following address:

http://www.treasury.gov.za/legislation/bills/2015/Default.aspx

In addition, National Treasury publishes a payment schedule that sets out exactly when the equitable share and national conditional grant funds are to be transferred to municipalities.

This will be available at:
http://mfma.treasury.gov.za/Media_Releases/Municipal%20Payment%20Schedule/Pages/default.aspx

7.1 Timing of municipal conditional grant transfers

In order to facilitate synchronisation of the national / provincial financial year (01 April to 31 March) with the municipal financial year (01 July to 30 June), the 2015 Division of Revenue Bill requires that all equitable share and Schedule 4 and 5 conditional allocations to municipalities must be transferred to municipalities within the period 01 July 2015 to 31 March 2016. Municipalities must not accept any equitable share or Schedule 4 and Schedule 5 transfers from national or provincial departments outside of these timeframes.

National and provincial departments are also advised to only transfer grant funds and to only make agency payments to municipalities within the period 01 July 2015 to 31 March 2016. This is to ensure the municipality is able to include such funds on its budget for 2015/16 and to ensure that reporting on the use of the funds is properly aligned across the national, provincial and municipal financial years.

7.2 Payment schedule for transfers

National Treasury has instituted an automated payment system for transfers to municipalities in order to ensure that appropriate safety checks are put in place.

Section 23 of the 2015 Division of Revenue Bill requires transfers to municipalities to be made as per the approved payment schedule published by National Treasury. Through this system, any transfers not in line with the payment schedule will be rejected. In addition, if the payment *details of the municipality are not up-to-date the transfers will also be rejected.*

7.3 Provincial allocations and payment schedules

Provincial Treasuries must publish in a gazette all provincial allocations envisaged to be transferred to municipalities and submit the gazette to National Treasury on a date not later than 14 days after the Division of Revenue Act has been enacted.

Provinces must also submit to the National Treasury the payment schedule against all provincial allocations to municipalities 14 days after the Act takes effect. The payment schedule must include the date of transfer, the amount and the name of the grant. The

Provincial Treasuries must notify the receiving officers of any deviations from the payment schedule. The payment schedules that provincial treasuries are required to submit to National Treasury in terms of section 30(5) of the 2015 Division of Revenue Bill will be published on National Treasury's website, along with the national payment schedule.

7.4 Relationship between Category C and Category B municipalities

The Division of Revenue Bill (DoRB) provides that the revenues raised nationally in respect of the 2015/16 financial year must be divided among the national, provincial and local spheres of government. Furthermore, section 29 of the DoRB states that category C municipality must, within 10 days after the Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the MFMA, for the 2015/16 financial year.

Transfers are always made to the municipality (district or local) authorised to perform a function. In cases where basic services functions are assigned to district municipalities National Treasury publishes, for information purposes, the amounts that would have been allocated to each local municipality through the formulas for the local government equitable share and municipal infrastructure grant if local municipalities were assigned these basic services functions. These amounts are published in Appendix W1 and Appendix W2 to the 2015 Division of Revenue Bill (see pages 271-284 of the Bill).

The budget of a category C municipality must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. The following practical arrangement will apply:

Step 1: District Municipality (category C municipality) must when tabling their budgets indicate which municipalities within their area of jurisdiction will receive allocations from the municipality;

Step 2: After the DoRA takes effect the District Municipality must within 10 days submit the tabled budget that contains allocations to be made to category B municipalities;

Step 3: The District Municipality must share with the municipalities within its jurisdiction how much is allocated to them, what criteria was used to make allocations and agree with the affected municipalities on how the monies are going to be disbursed. The disbursement schedule (payment schedule) must be sent to National Treasury and respective Provincial Treasury before the beginning of the municipal financial year;

Step 4: The District Municipality, having the authority to provide municipal services, must before implementing any capital project consult with the category B municipality affected and agree in writing through a Service Level Agreement (SLA) who will be responsible for operational costs and collection of rates; and

Step 5: District Municipality must make transfers to their local municipalities according to the agreed upon payment schedule.

National Treasury may withhold or stop any funding allocated to a category C municipality and reallocate it to a category B municipality if the category C municipality fails to:

i) make allocations to their respective municipalities within their jurisdiction;
ii) reach an agreement with the category B municipality; and
iii) submit the payment schedule to National Treasury and respective Provincial Treasury.

7.5 Responsibilities of transferring and receiving authorities

The legal obligations placed on transferring and receiving officers in terms of the 2015 DoRB are very similar to previous requirements. National Treasury intends ensuring strict compliance in order to improve spending levels, and the quality of information relating to the management of conditional grants.

Municipalities are again reminded that compliance with the annual DoRA is the responsibility of the municipal manager as the “receiving officer”. The municipal manager is responsible for, among other things, the tabling of monthly reports in council on whether or not the municipality is complying with the DoRA. He/she is also responsible for reporting on any delays in the transfer or the withholding of funds. Failure on the part of a municipal manager to comply with the Act in this regard will have financial implications for the municipality as it will lead to the municipality losing revenue when funds are stopped and/or reallocated.

Where the municipality is unable to comply, or requires an extension, the municipal manager must apply to the National Treasury and provide comprehensive motivation for the non-compliance.

7.6 Criteria for the rollover of conditional grant funds

Section 22 of the 2014 Division of Revenue Act requires that any conditional grants which are not spent at the end of the municipal financial year must revert to the National Revenue Fund, unless the receiving officer proves to the satisfaction of National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 22(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 22(2) of the 2014 of DoRA. The letter must be signed by the accounting officer;
2. List of all the projects that are linked to the unspent conditional grants and indicate how much was allocated and spent per project;
3. Evidence that work on each of the projects has commenced, namely either of the following:
    a. Proof that the project tender was published and the period for tender submissions closed before 31 March; or
    b. Proof that a contractor or service provider was appointed for delivery of the project before 30 June.
4. A progress report (also in percentages) on the state of implementation of each of the projects;
5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. Reasons why the grants were not fully spent in the year that it was originally allocated as per the DoRA;
7. Municipalities must not include previous year’s unspent conditional grants as a rollover request. Rollover of rollovers will not be considered;
8. An indication of the time-period within which the funds are to be spent; and
9. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed. ***No rollover requests will be considered for municipalities with vacant or acting chief financial officers and Municipal Managers for a period exceeding 4 months***.

If any of the above information is not provided or the application is received by National Treasury after 31 August 2015, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 DoRA, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 31 August 2015;
3. Accurate disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements;
4. Under no circumstance would the National Treasury approve the entire allocation of the municipality i.e. The municipality must spend a minimum of 50 per cent of the allocation per programme;
5. Cash available in the bank as at 30 June 2015 and in line with the cash flow statements to finance the roll-over request;
6. No approval will be granted for municipalities requesting roll over of the same grant for the 3rd consecutive time; and
7. Incorporation of the Appropriation Statement (discussed in point 6.7 below) as part of the pre-audit Annual Financial Statements.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2014/15 pre-audit Annual Financial Statements which must be concluded by 31 August 2015.

Similar to the above mentioned rollover process and in accordance with section 22(3)(b) of Division of Revenue Act, provincial treasuries are encouraged to institute measures and criteria for the rollover of conditional grant funds that municipalities receive from provincial departments. Refer to MFMA Budget Circular No.51 for more information.

7.7 Unspent conditional grant funds for 2014/15

The process to ensure the return of unspent conditional grants for the 2014/15 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA circulars, the following practical arrangements will apply –

Step 1: Municipalities must submit their June 2015 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditures reported to both National Treasury and national transferring officers are the same.

Step 2: When preparing their annual financial statements a municipality must determine what portion of each national conditional allocation it received remained unspent as at 30 June 2015. These amounts MUST exclude all interest earned on conditional grants, retention and all VAT related to conditional grant spending that has been *reclaimed from SARS*, which must be disclosed separately.

Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the DoRA 2014 that the funds are committed to identifiable projects or wants to propose an alternative payment method or schedule, the required information must be submitted to National Treasury by 31 August 2015. ***National Treasury will not consider any rollover requests that are incomplete (see item 7.6 below) or that are received after this deadline.***

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on the evidence that the funds are committed to identifiable projects by **02 October 2015** or whether it has agreed to any alternative payment arrangement or schedules.

Step 5: A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment agreement with National Treasury to the National Revenue Fund by **23 October 2015**. Failure to return these unspent funds by this date will constitute financial misconduct in terms of section 34 of the DoRA.

Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund by 23 October 2015 will be offset against the municipality's November 2015 equitable share allocation unless the municipality has agreed to an alternative payment arrangement or schedule.

All the calculations of the amounts to be surrendered to the National Revenue Fund will be audited by the Auditor-General.

7.8 Appropriation statement (Reconciliation: Budget and in-year performance)

In terms of GRAP 24 (Presentation of budget information in AFS) municipalities are required to present their original and adjusted budgets against the actual outcome in the annual financial statements; this is considered an appropriation statement. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement. All municipalities were required to compile an appropriation statement with the 2012/13 AFS.

Many municipalities neglected to compile the appropriation as part of their 2012/13 AFS. National Treasury considers this non-compliance in a serious light and going forward the incorporation of an appropriation statement in the AFS will form part of the ***evaluation criteria in considering and approving conditional grant rollovers. In the absence of an appropriation statement National Treasury will not consider conditional grant roll over applications.***

7.9 Reporting and accounting for municipal approved conditional grant roll-overs

All reporting on rollover approvals must be reported to respective treasuries, national transferring officers and provincial departments responsible for monitoring the conditional grants.

A municipality must report separately on the spending of approved conditional grant roll overs. National Treasury will provide a separate reporting template to facilitate this. This template must be submitted together with the normal in-year template for reporting conditional grant spending for the year. The template is customised per municipality and must be requested by e-mail: lgdataqueries@treasury.gov.za.

8. The Municipal Budget and Reporting Regulations

National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). This version incorporates minor changes (see Annexure A). Therefore ALL municipalities MUST use this version for the preparation of their 2015/16 Budget and MTREF.

Download Version 2.7 of Schedule A1 by clicking HERE

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver services by

facilitating improved financial sustainability and better medium term planning. The regulations, formats and associated guides etc. are available on National Treasury's website at:

http://mfma.treasury.gov.za/RegulationsandGazettes/Pages/default.aspx

Municipalities are required to submit their budget related electronic returns to lgdatabase@treasury.gov.za for both the draft budget and the final adopted budget. This will assist the National and Provincial Treasuries with the benchmark process.

8.1 Assistance with the compilation of budgets

If you require advice with the compilation of your budgets, the budget documents or Schedule A1 please direct your enquiries as follows:

	Responsible NT officials	Tel. No.	Email
Eastern Cape	Templeton Phogole Matjatji Mashoeshoe	012-315 5044 012-315 6567	Templeton.Phogole@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za
Free State	Vincent Malepa Katlego Mabiletsa	012-315 5539 012-395 6742	Vincent.Malepa@treasury.gov.za Katlego.Mabiletsa@treasury.gov.za
Gauteng	Kgomotso Baloyi Nomxolisi Mawulana	012-315 5866 012-315 5460	Kgomotso.Baloyi@treasury.gov.za Nomxolisi.Mawulana@treasury.gov.za
KwaZulu-Natal	Bernard Mokgabodi Johan Botha Walter Munyai	012-315 5936 012-315 5171 012-395 6793	Bernard.Mokgabodi@treasury.gov.za Johan.Botha@treasury.gov.za Walter.Munyai@treasury.gov.za
Limpopo	Una Rautenbach Sifiso Mabaso	012-315 5700 012-315 5952	Una.Rautenbach@treasury.gov.za Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Jordan Maja Anthony Moseki	012-315 5663 012-315 5174	Jordan.Maja@treasury.gov.za Anthony.Moseki@treasury.gov.za
Northern Cape	Willem Voigt Mandla Gilimani	012-315 5830 012-315 5807	Willem.Voigt@treasury.gov.za Mandla.Gilimani@treasury.gov.za
North West	Sadesh Ramjathan Makgabo Mabotja	012-315 5101 012-315 5156	Sadesh.Ramjathan@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Vuyo Mbunge Kevin Bell Mlungisi Mthembu	012-315 5661 012-315 5725 012-395 6554	Vuyo.Mbunge@treasury.gov.za Kevin.Bell@treasury.gov.za Mlungisi.Mthembu@treasury.gov.za
Technical issues with Excel formats	Elsabe Rossouw	012-315 5534	lgdataqueries@treasury.gov.za

National Treasury, working with the provincial treasuries, will carry out a compliance check and where municipalities have not provided complete information, the budgets will be referred back to the Mayor and municipal manager. Municipal managers are reminded that the annual budget must be accompanied by a 'quality certificate' in accordance with the format set out in item 31 of Schedule A in the Municipal Budget and Reporting Regulations. The National Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***those municipalities will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations.***

Municipalities with municipal entities are once again reminded that they need to produce consolidated budgets and in-year reports for both the parent entity and entity in that they need to produce:

- An annual budget, adjustment budget and monthly financial statements for the parent municipality in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial statements for the parent municipality and all its municipal entities in the relevant formats.

In addition, the A Schedule that the municipality submits to National Treasury must be the consolidated budget for the municipality (plus entities) and not the budget of the parent municipality.

8.2 Benchmarking process

National Treasury and provincial treasuries will be conducting benchmark budget hearings on the municipalities' tabled budgets during April and early May 2015 to assess whether the budgets are realistic, sustainable and relevant, and the extent to which they are funded in accordance with the requirements of the MFMA. In this regard, National Treasury will communicate further with the non-delegated municipalities, while the provincial treasuries will communicate with their respective delegated municipalities.

Municipalities are required to table the reports and recommendations provided by the respective treasury in Council and submit a copy of the council resolution in this regard to National Treasury and the respective Provincial Treasury.

8.3 The difference between the collection rate on table SA8 and SA10

The collection rate (cash receipts % of ratepayer & other revenue) on table SA10 - Funding measurement, is a cash collection rate calculated on operating revenue at the rate at which funds are 'collected'. This measure is intended to analyse an underlying conservative assumed collection rate; i.e. how much cash is expected to be collected from property rates, service charges and other revenue (excluding grants and interest earned).

The collection rate (cash receipts % of ratepayer & service charges) on table SA8 – Performance indicators and benchmarks row 18 refers to a "Current Consumer Debtors Collection Rate" – this measure is intended to analyse the actual consumer collection rate from property rates and service charges only, excluding other revenue.

9. Budget process and submissions for the 2015/16 MTREF

Over the past number of years there have been significant improvements in municipal budget processes. Municipalities are encouraged to continue their efforts to improve their budget processes based on the guidance provided in previous and current MFMA Circulars.

Once more, municipalities are reminded that the IDP review process and the budget process should be combined into a single process. Municipalities are reminded to prepare for the budget verification process that will be undertaken on the adopted budgets.

9.1 Tabling of the MFMA budget circular in municipal council

Municipalities are advised to table the annual municipal budget Circulars in council together with the budget documents.

9.2 Submitting budget documentation and schedules for 2015/16 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that ***immediately*** after an annual budget is tabled in a municipal council it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 31 March 2015, the final date of submission of the electronic budget documents and corresponding electronic returns is **Wednesday, 01 April 2015**. The deadline for submission of hard copies including council resolution is **Friday, 10 April 2015**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2015, the final date for such a submission is Tuesday, **14 July 2015**, otherwise an earlier date applies.

The municipal manager must submit:

- the budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and all the supporting tables (SA1 – SA37) in both printed and electronic format;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- in the case of approved budgets, the council resolution;
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations; and
- Signed budget locking certificate as found on the website.

Municipalities are required to send electronic versions of documents and the A1 schedule to lgdocuments@treasury.gov.za.

If the budget documents are too large to be sent via email (exceeds 4MB) please submit to lgbigfiles@gmail.com ; any problems experienced in this regard can be addressed with Elsabe Rossouw (email: Elsabe.Rossouw@treasury.gov.za).

Municipalities are required to send printed submissions of their budget documents and council resolution to:

For couriered documents
Ms Linda Kruger
National Treasury
40 Church Square
Pretoria, 0002

For posted documents
Ms Linda Kruger
National Treasury
Private Bag X115
Pretoria, 0001

In addition to the above mentioned budget documentation, metropolitan municipalities must submit the Built Environment Performance Plan (BEPP) approved by council on 31 May 2015 to Yasmin.coovadia@treasury.gov.za.

9.3 Budget reform returns to the Local Government Database for publication

For publication purposes, municipalities are still required to use the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database. All returns are to be sent to lgdatabase@treasury.gov.za.

Returns for the 2015/16 budget must be submitted to the Local Government Database by the latest **24 July 2015**.

The aligned electronic returns may be downloaded from National Treasury's website at the following link: http://mfma.treasury.gov.za/Return_Forms/Pages/default.aspx.

9.4 Publication of budgets on municipal websites

In terms of section 75 of the MFMA all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, http://mfma.treasury.gov.za/Pages/Default.aspx. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

Contact

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

Post	Private Bag X115, Pretoria 0001
Phone	012 315 5009
Fax	012 395 6553
Website	http://www.treasury.gov.za/default.aspx

JH Hattingh
Chief Director: Local Government Budget Analysis
09 March 2015

Annexure A – Changes to Schedule A1 – the 'Excel formats'

As noted above, National Treasury has released Version 2.7 of Schedule A1 (the Excel Formats). It incorporates the following changes:

No.	Sheet	Amendment	Reason
1	A5	Insertion of a validity check formula.	Ensure that funding and expenditure balances.
2	A6	Insertion of a validity check formula.	Ensure that net assets and total community wealth balances.
3	A7	Insertion of receipts from property rates and service charges line items. Insertion of formulae linking A7 to SA30 for the MTREF.	Simplification of data gathering for determining the collection rate from main services.
4	A10	Insertion of new footnote.	Improve reporting of services provided including informal settlements.

Annexure B – Previous MFMA Circulars

Budget management issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55, 66, 67 and 70 with regards to the following issues:

1. *Mayor's discretionary funds and similar discretionary budget allocation* – National Treasury regards allocations that are not designated for a specific purpose to be bad practice and discourage them (refer to MFMA Circular 51).
2. *Unallocated ward allocations* – National Treasury does not regard this to be a good practice, because it means that the tabled budget does not reflect which ward projects are planned for purposes of public consultation and council approval (refer to MFMA Circular 51).
3. *New office buildings* – Municipalities are required to send detailed information to National Treasury if they are contemplating building new main office buildings (refer to MFMA Circular 51).
4. *Virement policies of municipalities* – Municipalities are reminded of the principles that must be incorporated into municipal virements policies (refer to MFMA Circular 51).
5. *Providing clean water and managing waste water* – Municipalities were reminded to include a section on 'Drinking water quality and waste water management' in their budget document (refer to MFMA Circular 54).
6. *Renewal and repairs and maintenance of existing assets* – Allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the required benchmarks set out in MFMA Circular 55 and 66.
7. *Credit cards and debit cards linked to municipal bank accounts are not permitted* – On 02 August 2011 National Treasury issued a directive to all banks informing them that as from 01 September 2011 they are not allowed to issue credit cards or debit cards linked to municipal bank accounts (refer to MFMA Circular 55).
8. *Water and sanitation tariffs must be cost reflective* - refer to MFMA Circular 66.
9. *Solid waste tariffs* – refer to MFMA Circular 70.
10. *Variances between 4th Quarter section 71 results and annual financial statements* – refer to Circular 67.
11. *Additional In-Year reporting requirements* – refer to MFMA Circular 67.
12. *Appropriation statement (reconciliation: budget and in-year performance)- reference is made to circular 67.* It came to the attention of National Treasury that a number of municipalities did not include the appropriation statement as part of their 2012/13 or 2013/14 annual financial statement. In terms of the Standards of GRAP 24 on the Presentation of Budget Information in Financial Statements, municipalities are required to present their original and adjusted budgets against actual outcome in the annual financial statements. This is considered an appropriation statement and the comparison between the budget and actual performance should be a mirror image of each other as it relates to the classification and grouping of revenue and expenditure as has been the case in a national and provincial context. This statement is subject to auditing and accordingly supporting documentation would be required to substantiate the compilation of this statement.
13. *Eliminating non-priority spending* – The 2013 MTBPS emphasised the need for government to step-up its efforts to combat waste, inefficiency and corruption (refer to MFMA circular 70).
14. *Council oversight over the budget process* – refer to MFMA Circular 70.

Conditional grant issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 and 67 with regards to the following issues:

1. *Accounting treatment of conditional grants*: Municipalities are reminded that in accordance with accrual accounting principles, conditional grants should only be treated as 'transfers recognized' revenue when the grant revenue has been 'earned' by incurring expenditure in accordance with the conditions of the grant.
2. *VAT on conditional grants:* SARS has issued a specific guide to assist municipalities meeting their VAT obligations – ***VAT 419 Guide for Municipalities***. To assist municipalities accessing this guide it has been placed on the National Treasury website at: http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx
3. *Interest received and reclaimed VAT in respect of conditional grants:* Municipalities are reminded that in MFMA Circular 48, National Treasury determined that:
    - Interest received on conditional grant funds must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions; and
    - 'Reclaimed VAT' in respect of conditional grant expenditures must be treated as 'own revenue' and its use by the municipality is not subject to any special conditions.
4. *Appropriation of conditional grants that are rolled over* – As soon as a municipality receives written approval from National Treasury that its unspent conditional grants have been rolled-over it may proceed to spend such funds (refer to MFMA Circular 51 for other arrangements in this regard).
5. *Pledging of conditional grant transfers* – the 2015 Division of Revenue Bill contained a provision that allows municipalities to pledge their conditional grants. The end date for the pledges is extended to 2017/18. The process of application as set out in MFMA Circular 51 remains unchanged.
6. *Separate reporting for conditional grant roll-overs* – National Treasury has put in place a separate template for municipalities to report on the spending of conditional grant roll-overs. Municipalities are reminded that conditional grant funds can only be rolled-over once, so if they remain unspent in the year in which they were rolled-over they MUST revert to the National Revenue Fund.
7. *Payment schedule* – National Treasury has instituted an automated payment system of transfers to municipalities in order to ensure appropriate safety checks are put in place. Only the primary banking details verified by National Treasury will be used for effecting transfers.
8. *Conditional grant transfers/payments, the responsibilities of transferring and receiving authorities and the criteria for the rollover of conditional grants –* It is important that the transfers made to municipalities' are transparent, and properly captured in the municipalities' budgets. MFMA Circular no: 67 in this regard refers. The criterion for the rollover of conditional grants is stipulated in MFMA Circular no: 51.

MBRR issues dealt with in previous MFMA Circulars

Municipalities are reminded to refer to MFMA Circulars 48, 51, 54, 55 with regards to the following issues:

1. *Budgeting for revenue and 'revenue foregone'* – The 'realistically anticipated revenues to be collected' that must be reflected on the Budgeted Statement of Financial Performance (Tables A2, A3 and A4) must exclude 'revenue foregone'. The definition

of ‘revenue foregone’ and how it is distinguished from ‘transfers and grants’ is explained in MFMA Circular 51.

2. *Preparing and amending budget related policies* – Information on all budget related policies and any amendments to such policies must be included in the municipality’s annual budget document (refer to MFMA Circular 54).
3. *2013/14 MTREF Funding Compliance Assessment* – All municipalities were required to perform the funding compliance assessment outlined in *MFMA Funding Compliance Guideline* and to include the relevant information outlined in MFMA Circular 55 in their 2015/16 budgets (refer to MFMA Circular 55).



1

RESPONSIVE LOCAL GOVERNMENT TOOLKIT

RESPONSIVE LOCAL GOVERNMENT

Service Improvement Guide

A Service Improvement Guide for South Africa, Namibia and Botswana

RESPONSIVE

The Service Improvement intervention outlined in the current guide is the result of a three year piloting cooperation programme between the local government associations of South Africa, Namibia and Botswana.

The collaboration project, P3, set out to engage with service improvement in 25 partner municipalities that focuses on existing resources, where management and staff are capacitated to take charge of their own service improvement agenda to meet expectations of its citizens.

The service improvement guide provides some insight into the components of service improvement and why it is needed from a customer and local development perspective. The guide also outlines the steps to be taken in a service improvement intervention guided by a service improvement champion in that local government.

The Service improvement guide is further supported by a Facilitator's guide for Service Improvement trainers and champions and a Training participant workbook with exercises to be used in a targeted service improvement intervention that capacitates both management and staff to embark on service improvement processes.

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Contents

1

Before getting started...

Why focus on service improvement in local government?

Local government is responsible for providing essential services to citizens using public funds such as water, sanitation, refuse removal, roads & transport, electricity, recreation, safety & security, health and many other of the most basic public services.

For this reason local government is often judged by one criterion: their effectiveness in delivering services which meet the basic needs of citizens and business alike. Local governments are facing challenges with growing demand and higher expectations from citizens for information and accountability in the provision of services. Citizens that receive poor services become unsatisfied, and are becoming more vocal in expressing their discontent. Such challenges demand local authorities to address issues of service delivery and to communicate initiatives to come to terms with flaws in service provision and planned improvements.

Essentially, service improvement is about:

- Equity
- Transparency
- Responsiveness
- Accountability
- Predictability



Equity...

Citizens are entitled to the same treatment in dealing with local government and have access to services and service information in their official language.



Transparency...

Citizens have the right to have insight into decision-making and communication around processes associated with service delivery. Openness will enable citizens to influence decisions that impact on the well-being of the local community.



Responsiveness...

Citizens need to be consulted around their expectations on service delivery so that service improvement initiatives address real needs. Citizens' feedback and complaints are invaluable in managing expectations.



Accountability...
Local governments are answerable to the citizens on the service commitments they make.



Value for Money...
Citizens have the right to access local government services that are of good quality and delivered in a timely manner at affordable cost.

A deliberate approach that rethinks service delivery is needed. This does not mean introducing more rules and centralised processes or micro-managing service delivery activities. Rather, it involves creating a framework for the delivery of public services, which puts citizens first and enables them to hold public servants accountable for the service they receive.

Consequences of poor service delivery

Failures in service delivery are a reason for people remaining in poverty, for example through ill health, no access to electricity and limited access to water. In contrast, good service provision helps people to transition out of poverty, for example through education or provision of housing. There is a clear need to strengthen service delivery systems in local governments to improve the quality of life and secure equal access to services.

Service improvement is about developing a mind-set of continuous change in local government.



INTRODUCING MYMUNI LOCAL GOVERNMENT

Mymuni is a small, unspoilt town with a population of 61 000 and a wide natural appeal, situated in a delightful part of Mylandia – an imaginary country in Southern Africa created for the purposes of this Service Improvement Guide. The Mymuni Local Government serves a number of small towns, the largest of which, Urbanville, has an informal settlement on its outskirts.

The citizens of Mymuni consist of three main language groups; mylanga, mylingo and myabla of which the mylanga speaking group is the biggest with 65% of the population.

The town has a rich history and earns its living from nearby mining and commercial agricultural farming activities. For many years this historic town, with its beautiful gardens, golden sands and stunning mountains with superb views which are second to none has attracted many visitors who return again and again.

Mymuni provides its citizens with services such as water, sanitation, refuse collection, roads and transport, electricity, recreation, town planning, safety and security and stray cattle handling. These services are currently provided in the urban Urbanville as well as in the informal settlements.

Mymuni always had a good track record but over the past few years, service delivery had become costly due to skills shortage, ailing bulk infrastructure and equipment - putting enormous strain on Mymuni's abilities to deliver services effectively and efficiently. This is happening at a time when the citizens of Mylandia (particularly in Urbanville) are becoming more vocal in their demands.

Mymuni has therefore embarked on a number of service improvement initiatives, which we share in this Guide.

The currency in Mylandia is the Afri (Af).

What do we mean by service improvement?

In the private sector, companies are primarily motivated by profit because dissatisfied customers will spend their money elsewhere. The slogan 'the customer comes first' is therefore a fundamental business principle. Public sector 'customers', i.e. citizens, cannot easily take their business elsewhere. This lack of competition can sometimes lead to bureaucratic, rule-bound institutions and leaving frustrated clients, discontented citizens and disruptive communities. This can result in a negative effect on payment for services and the social and economic development of a country. Improved service delivery is critically important for sustaining democratic societies.

Clearly, professional local government officials, who deliver quality services, can have a positive effect on citizens' attitudes to government and democracy in general. An accessible, helpful and trustworthy local government that cares about the well-being of citizens and delivers efficient services will result in a higher level of confidence.

A citizen-focused local government strives to provide the best possible services, including relevant information on service delivery, adequate housing, an agreeable environment and creating opportunities for economic growth. An approach which focuses on the citizen will ensure that service delivery exceeds peoples' expectations. The degree, to which the citizens and public think this is achieved, is the measure of success.

Central to any service improvement strategy is the setting of rigorous service standards that are communicated to the public and against which service performance is measured.

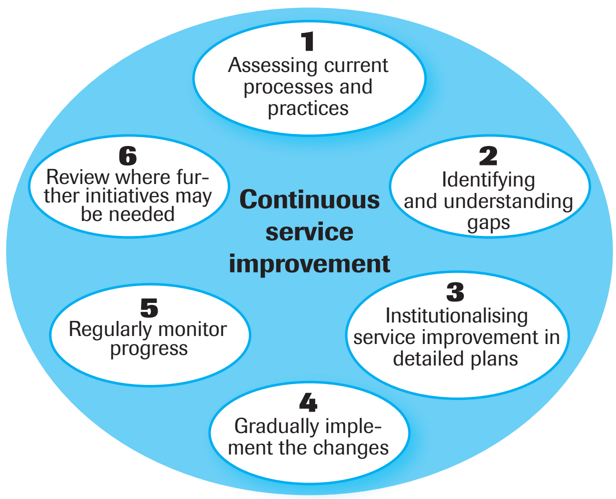
Continuous service improvement commonly involves

1. map how things are done currently ('AS IS')
2. identify gaps, delays and unnecessary detours between the way things are done now ('AS IS') and the ideal situation ('TO BE')
3. make a plan for how to make change happen
4. gradually implement the changes
5. regularly monitor progress
6. review where further improvements can be done.



Working with continuous improvement

The inspection, evaluation and approval of building plans is a core service for Mymuni, which has a flourishing local economy with citizens as well as business renovating and building new properties. Having launched a programme of service improvement (including citizen orientation, capacity building for staff and management, streamlining of work processes around building plan approval – and more), Mymuni has reduced the cost and inconvenience to the citizen for approval of building plans through the provision of a one-stop service point. Here, citizens and business alike can submit applications, discuss with an officer, go through previous applications, pay fees and study building plans. In the spirit of continuous service improvement, Mymuni is now considering the integration of other services using the same service point.



What can you expect to achieve?

Process improvement is not an end in itself. It is a means to increase the effectiveness and efficiency in the provision of services. The benefits of service improvement for local government are:

- A citizen focused approach that will provide for higher quality services that are based on existing needs and expectations.
- Restructured and streamlined service processes that will increase the speed of service provision.
- Streamlining of service processes that will reduce cost in the provision of these services, making existing funds last longer – for both the local government and the citizen.
- A more cohesive local government organisation where management and staff respectively work towards common standards. Staff will have a greater sense of responsibility when processes are highlighted and clarified and with management closely monitoring processes.

Taken together, the achievements of service process improvement will increase citizen satisfaction for local government and to manage that one criterion that is often used to judge the performance of local government: how effectively it renders services to its citizens.

Challenges to prepare for

Resistance to change does not come about only when attempting to 'fix' a specific issue. Some people might not see the benefit to participate or to be honest about symptoms or effects of issues related to their own processes. Sometimes inefficiencies or administrative processes allow some people to gain bargaining power.

In some instances this bargaining power might lead to corruption, but in most cases people use this power to further their own ambitions or to remain relevant. In other cases, people might resist addressing an issue because the clumsy design of the system hides their own insecurities, incompetencies or performance levels. It might even be the case that people resist process improvement because they do not like the thought of change in itself, or because they are afraid that they might become obsolete if the efficiency of the system is improved.

In most cases, reluctance to change is related to the unknown. Change in itself can be threatening and should therefore be treated with respect. The thought of losing my position, my status or even my job can be unbearable. And what about our team? We have worked together like this forever and no-one has ever complained, so what's the problem now?

Process improvement cannot simply be introduced and implemented through one-dimensional hierarchical planning and management. A service improvement related issue may lead to several symptoms that are created or reinforced by many different causes. Bringing staff and management on board to work together and complement each other is therefore crucial for success.

Preparing for challenges

When first introduced to the concept of Process Improvement, Mrs Muni Karen, Deputy Head of Department for Water & Sanitation reaction was:

> "In this municipality we cannot cut corners like they can in the private sector, we have to comply with national directives which sets the scene for everything we do. There's just very little that we can do to change things around here. I'm sorry to say but our hands are kind of tied."

Her reaction was not unexpected to the other participants, and they all recognised her comment. In this case, the Mymuni Service Improvement Team decided to appoint Mrs Karen the prime agent for change in the review process at her own department, which turned out to be the best way to go as 1) she got to lead the way in terms of selection of services for review which secured her buy-in and 2) the review was made with careful consideration for national government legislation.

30 days...

Mr Muni Robert is working at the Department for Social Services. At the introductory meeting he becomes quite agitated, saying

“We are already on top of this and are delivering within 30 days, as recommended by the Department. We have worked hard for this and besides, even if we weren’t on top of it, I can’t see how you can make any significant change by only working with mapping what we do and ‘tweek’ things a bit. What we need is a coordinated IT system that optimises our performance to reduce costs.”

At the lunch break during the workshop, Mr Robert’s colleague whispers to the colleague from Tourism Services; “I know Robert is onto this, but seriously, we all know that the waiting time is more than 60 days and that their budget is always under scrutiny.”

Internal review, like Process Improvement, provides an opportunity to look at the production process from a perspective where individuals are excluded. We look exclusively at the processes involved in producing a service. In this case, it might very well be that 30 days is the norm, but when the office is ill, the handling time increases to 60 days or even more. Service delivery processes cannot be dependent on individuals and they cannot be designed to accommodate personal capacity.

Mr Robert also expresses a common belief in ‘The Green Button’ – the solution that will solve every challenge ever identified. It is not unusual that this is connected to some kind of ICT solution; ‘The System’. While it can sometimes be said to be true that new IT-based systems can uniform or harmonise processes, they usually come at a high cost. And yes, reducing costs in the long term may be sensible, but the immediate costs of redesigning a system or upgrading to a better technology may require short-term investments that may exceed the financial resources of a local government.

In conclusion, as much as the benefits of service delivery outweigh many of the challenges, some of the most obvious should be mentioned here:

- ***Adequate capacity:*** Embarking on a process improvement programme requires a team based approach where affected management and staff are involved from the word ‘Go’.

- ***Adequate know-how:*** Process improvement needs to be guided by a structured methodology with a well thought out plan, with clear and agreed objectives, and measurable outcomes.

- ***Fear of change:*** The potential restructuring of services and streamlining of processes may make some staff and management feel uneasy about their positions. This is why it is critical to involve those affected by the service improvement work from the very outset. Improving local government effectiveness in service delivery does not necessarily mean cutting costs in terms of staff numbers, but the reorganisation of staff, alterations of job descriptions, multi-skilling of staff, recruitment of new competencies, and so on.

- ***Making process improvement a management approach:*** the philosophy is that service improvement rests on the assumption of continuous change. The conditions on which local government provides its services is changing all the time as expectations of citizens change. This requires local government to change its management practices so that it to responds to such changes, making continuous service improvement its management practice and culture.

The current guide tries to come to terms with the above challenges by providing a guide that is applicable to councillors, management and as well as staff, and a methodology that is based on capacity building and an action learning approach, which allows for conscious learning and sharing of lessons to continuously improve the service improvement agenda.

2

How to Use this Guide

The purpose of this publication is to guide the establishment of basic service standards and developing service improvement strategies to foster a culture of continuous learning and change amongst management and staff in local government.

Some local authorities may start service improvement initiatives by using a pilot project to attain an understanding of their service provision and how service improvement works in practice. Others may have already established service standards, which need to be communicated better and monitored more systematically and improved over time.

Who can use the guide?

The target audience for this publication can be divided in three categories:

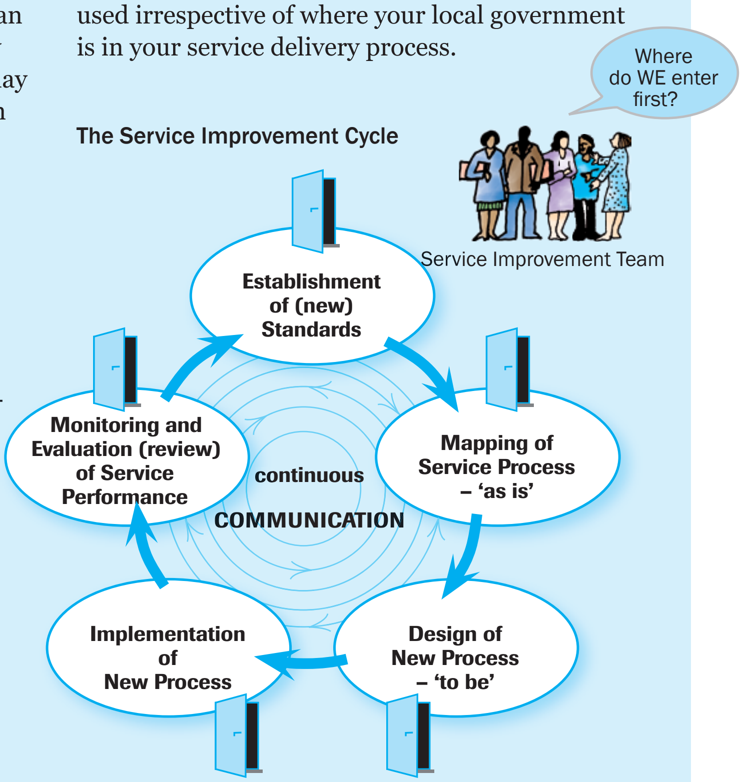
1. ***For elected representatives***, who are committed to service improvement in local government and efficient service delivery to the electorate.
2. ***Managers in local government***, to gain knowledge and practical ideas for implementing service improvement.
3. ***Officials*** who can gain practical guidelines for service improvement in the work they are doing.

Where are we now and where do we start?

Local governments are at different stages in their thinking around service delivery, how far they have come in service improvement, and the resources available to them.

Since service improvement is a cyclical process of continuous learning, this manual/guide can be used irrespective of where your local government is in your service delivery process.

The Service Improvement Cycle



The starting point of any local government using this manual is to analyse its current situation ('AS IS') in service provision. The ensuing chapters will clarify each of the steps making it easier for a local government to find their way around the service improvement cycle.

The following checklist can be used to identify the starting point on the service improvement cycle.

Ranking alternatives in the table
4 points = agree
3 points = agree to some extent
2 points = partly disagree
1 point = disagree

In OUR LOCAL GOVERNMENT	4	3	2	1
There are national government directives and/or national development plans affecting service delivery				
There is political will to focus on service improvement				
Service improvement is part of a strategic plan				
There is a service improvement policy in place				
There are service standards in place				
Management supports improved service delivery				
There are resources to work on service improvement				
Service improvement is part of management performance review				
Service standards have not been reviewed lately				
Service standards are not monitored regularly				
Service delivery performance is not reported to the public				
Services are not cost effective				
Citizens demand information on service standards				
Citizens demand service improvement				
Citizens complain about some services				
Citizens increasingly demand a particular service				

The checklist also facilitates the identification of problem areas – for example, inadequate communication, lack of monitoring etc. that the local government needs to emphasise in its service delivery improvement agenda.



3

Basics of Service Improvement

The purpose of this chapter is to explain the fundamentals of service improvement as a change management intervention, and how rethinking service delivery will benefit local government and its citizens.

The essence of any service improvement initiative in a local government setting is that citizen satisfaction is the most reliable indicator of improvement in service performance. This chapter unpacks some basic concepts before embarking on a service improvement process.

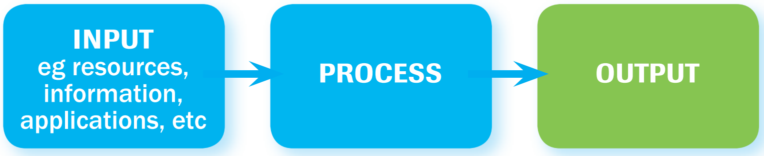
Improving service delivery has become the focus of organisational development over the past few decades. In the highly competitive business environment the motivation for this is obvious – the survival and success of companies depends on their ability to attract and keep customers. Local governments are also challenged to improve their services as their citizens expect better products and services.

Efficient and effective service processes are critical for organisations to deliver good products and services. The way the organisation structures and manages its service processes has a great impact on achieving this. There are different theories on how organisations can improve their service processes. One of the popular approaches is Business Process Improvement, also known as Business Process Reengineering (BPR).

This is fundamental, because it explores 'why do we do this?' and 'why do we do it this way?' To improve, people must question their existing and assumptions. It is radical because it can implement drastic changes to existing structures and procedures. It is dramatic because it seeks to make substantial improvements, not just fine-tuning or amending parts of the process.

The output oriented local government

A service process is a series of logically related activities that take one or more kinds of inputs and creates an output. The process is set in motion through the input of information, applications, and requests for service. It is composed of tasks that require the input of people in different functions, as well as other resources.



The output is the delivery of the expected result. In a request to upgrade a sewerage system, the request is the input and the output is the upgraded sewerage system. Service Improvement is ultimately concerned about the output achieved through the business processes.

A distinction is made between three processes that must be in place:

1. Operational processes delivers products and services to the citizens
2. Managerial processes control and coordinate the organisation's activities
3. Support processes provide infrastructure and other assistance to service processes.

> **Local governments need to move from being input to becoming output-oriented.**

OPERATIONAL PROCESSES | **MANAGERIAL** PROCESSES | **SUPPORT** PROCESSES

Service Improvement rethinks and redesigns these processes to ensure:

Ask		to ensure
Is there value for money?	⟷	**COST**
Is the service at an acceptable standard?	⟷	**QUALITY**
Is it delivered within reasonable time?	⟷	**SPEED**
Are the services delivered in sufficient volume?	⟷	**QUANTITY**
Are services delivered at a convenient place?	⟷	**ACCESS**
Are services provided without discrimination?	⟷	**EQUITY**
Is the citizen offered alternatives?	⟷	**FLEXIBILITY**

Services can be improved through:

- Ensuring that service standards are set
- Streamlining and improving the service delivery process

This results in more efficient service, better quality service, cost effectiveness, improved job satisfaction and customer satisfaction.

An input oriented organisation focuses on the internal needs of the organisation such as adhering to the policies, procedures, and regulations. The focus is on what suits the organisation rather than on what suits the customer. It is internal needs e.g. its regulations that are more important than its outputs to customers.

On the other hand, an output oriented organisation focuses on what it delivers to customers. It focuses on what adds value for customers and changes, discards those things which form a negative customer experience. The culture of the organisation and the attitude of the employees determine if the organisation is input based or output based.

Definitions

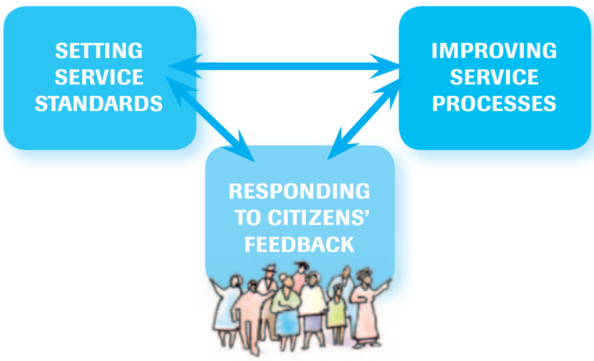
INPUTS are all the resources that contribute to the production and delivery of outputs. Inputs are what we use to get our work done. This includes finances, personnel, equipment and buildings.

OUTPUTS are the final products, or goods and services produced for delivery. Outputs may be defined as 'what we produce or deliver'.

Service improvement in local government

The aim of service improvement in Local Government is not necessarily to reduce costs but to improve efficiency and provide a better customer service. In some instances it may cost more rather than less to provide a better service. If it benefits citizens in terms of better service it could justify the increased cost. Employing a new customer service officer is an example of this. However, more efficient processes might also be more cost effective and prevent wastage of time and resources.

Service improvement at local government level should include three interrelated processes:



How can the change be made?

The achievement of a more professional, focused organisation which views customers and visitors as customers requires certain essential components.

Changing the thinking patterns of staff

The thinking patterns and behaviour of staff within an organisation will inevitably reflect the culture of that organisation: staff within a bureaucracy will be focused on the internal needs and procedures of the organisation, and away from the needs of the client.

However, a change in the mind-set of the staff will in fact be counterproductive if the underlying culture of the organisation does not change.

A common mistake made by organisations is to pour resources into programmes which address the thinking patterns of staff but do not address the systems and processes which, in fact, support the negative organisational culture.

This can only result in frustration, disillusionment, low morale and a quick return to bureaucratic thought patterns.

Re-designing the business processes of the organisation

The organisational culture is given expression through the systems and processes which the organisation devises.

Ultimately, staff who have positive thinking patterns are actively prevented from improving service delivery by the sheer weight and power of the organisational culture.

It is therefore essential that the hard process issues associated with the delivery of outputs are attacked at the same time as the mind-set change of staff is accomplished, thus encompassing an holistic approach to organisational change.

The re-design of business processes is based on the following principles:

- **Re-focus on core activities and the needs of the customer.**
- **Elimination of all processes that do not add value to the customer.**
- **Elimination of all wastage and unnecessary steps.**
- **Levelling of hierarchies and multiple authority levels**
- **Focus upon team-work and the multi-skilling of staff.**

Staff involvement and empowerment

Staff must be not only consulted throughout every step of the change process, but actually empowered to redesign their work processes themselves. Changes imposed from the top (or by consultants!) do not generate the energy and buy-in necessary for sustainability.

Utilization of current resources

Another principle to be observed is that changes in work processes should be made using only current resources.

All too often organisations throw more staff and equipment at inefficient processes, a solution which only serves to exacerbate the problem.

Improvements in technological support, for instance, can only be made once the underlying business processes have been cleaned out; if not, they will only serve to entrench wasteful and inefficient practices. Outputs must be improved before requests for more staff, money, equipment or technologies are considered.

Developing measurable performance standards for outputs

It is essential that outputs be concrete and measurable: we must be able to test whether and to what extent customers are receiving the services that they need.

A re-designed business process must therefore include multidimensional standards to judge the success of each step in the process.

Once these are set and agreed upon, they will form the basis of a realistic and objective performance management system for the staff working within the process.

Identifying skill requirements, and developing staff

It is essential that staff be held accountable for outputs: no customer should ever hear the words: "I can't help you – it's not my job"!

However one cannot expect people to perform competently without first capacitating them to do so. It is often the case that once a process has been re-designed, the staff members working within that process need new skills and abilities to achieve the required level of service delivery.

A worker who has spent years performing the same task may now need to be multi-skilled to become part of a team working together to deliver an output. Alternatively, the skills required to perform an individual job may change dramatically: the skills required by a process manager are very different from those needed by a conventional line manager.

Holding staff accountable for outputs

Once staff have been retrained and judged competent to perform within a re-designed process, an objective performance management system can be put into place whereby they are held accountable for delivering the particular service.

The following principles for change therefore apply:

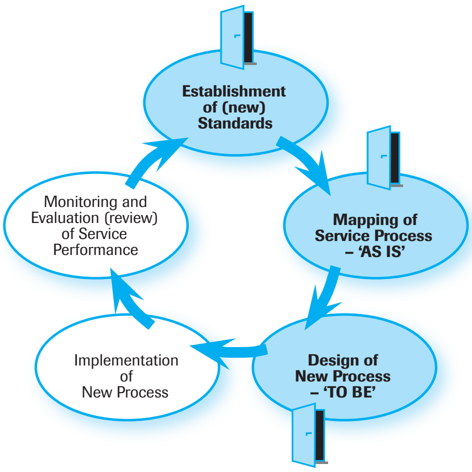
- **Better utilization of current resources through improved process management.**
- **Unnecessary bureaucratic procedures eliminated.**
- **Re-focus on core activities and customer needs.**
- **Consultative and transparent: changes come from those actually doing the work.**
- **Process guided and managed by internal staff.**
- **Technology based on sound processes backed by staff who have bought in.**
- **Identification of skill requirements, and retraining of staff.**
- **Consequences for non-performance.**

Setting service standards is a means to generate citizen satisfaction and not an end in itself.

4

Establishment of Service Standards

The purpose of this chapter is to explain service standards, identify the various aspects of a standard and how to make standards measurable for performance monitoring and evaluation.



What are service standards?

In plain terms service standards refers to a basic commitment made by the local government on the level of service delivery the citizens can expect.

Citizens deserve effective, efficient and quality services from their local governments. Where service quality is poor, it is often the case that standards have not been set. This means that there is little or no expected or planned level of performance and nothing for staff to aim for, or be assessed against. Citizens also do not know what quality of service to expect.

On the other hand, excellent service is usually the result of consciously setting and striving to meet high service standards that are also communicated to citizens.

Setting service standards

Mymuni commitment to citizen-focused service delivery:

- Develop and implement service standards
- Monitor performance against these standards
- Communicate the standards to citizens
- Evaluate performance against set standards.

Service standards are criteria that define a local government's commitment to their citizens. Service standards are usually written in the form of a statement that describes what level of service will be provided to citizens. It answers questions such as:

- ? How often will the service be provided?
- ? How long should it take to receive the service?
- ? What service can be expected?
- ? How much will the service cost?
- ? What can people do if they are not satisfied with the service?

Service standards minimise uncertainty and ensure that citizens have realistic expectations about the

nature of the services being delivered.

Service standards also promote a culture of effectiveness and efficiency and are used to measure performance.

Improving service delivery is a continuous process and not a once-off task. It calls for a shift from inward-looking bureaucratic systems, processes and attitudes to searching for new ways of working that will give priority to the needs of citizens. To verify whether delivery has met a standard, service standards need to be measurable, but is more than just delivery targets such as reducing waiting times or speeding up response times.

Rigorous service standards can incorporate five aspects:

1. Description

This provides the details of the service that the local government intends to provide. Where applicable, the benefits citizens can expect to receive are also included. Usually, the service standard includes a statement that describes exactly what services are provided at a particular delivery site.

Example from MYMUNI: **Issuing of license for selling of alcohol within Urbanville.**

2. Service Commitment

The commitment refers to how citizens will be treated and describes the ***quality*** of service delivery that the department promises to meet. The commitment should emphasise delivery principles such as transparency, accountability, fairness and courtesy.

Example from MYMUNI: **All information necessary to obtain the licence should be available in all official languages.**

3. Target

Delivery targets refer to the key aspects of the specific service that is referred to in the service standards. Generally, targets would deal with issues such as ***access*** and ***timeliness***. Targets establish realistic expectations among citizens, based on what the department can actually deliver and establish the performance expectations for the department.

Example from MYMUNI: **First response to all applications within 10 working days. Provided complete information and paid application fee, decision should be received within 20 days after application.**

These standards are also important for staff, but there are often also internal standards and targets that are not visible to citizens, but are as important for efficient and quality service provision, e.g. 'Number of applications processed by each official per day', 'Response times for internal process steps'.

4. Cost

It is important that citizens know about the cost of a service, especially services that are free or requires only a low fee. This encourages people to make use of the service, have realistic expectations about the services offered and attaches a value to local government service delivery. Many over-the-counter services involve a fee, which, if not reasonable or flexible, can be a burden for, or discriminate against poorer citizens.

Example from MYMUNI: **Cost of the license is Af 10, payable at time of application.**

5. Feedback and complaints mechanisms

Mechanisms should be in place to deal with the concerns of citizens when they feel that a local government has not met the service standards it has promised to meet. Feedback and complaints mechanisms add value to any service when citizens are not satisfied, as these provide a means of obtaining greater satisfaction. In addition, such mechanisms provide a means by which a department can assess the quality of its delivery. Feedback and complaints mechanisms are an additional service, and also require high standards in terms of response times and satisfactory outcomes.

Example from MYMUNI: **We will respond to your complaint within 10 working days of receipt. However, if your complaint requires extensive follow-up, we will contact you within the 10-day period to explain why and when you may expect a full response.**

How to measure service standards

Service standards indicate to what standard a particular service will be delivered. Thus service standards can measure or evaluate the performance of local governments in terms of service delivery. Service standards are developed and measured against:

- ***Quantity:*** Are the services and products supplied in sufficient volume?
- ***Quality:*** Are the services and products of acceptable standard?

- ***Time/Timeliness:*** Are the services and products delivered on time and within reasonable time?
- ***Value for money:*** Is the cost of the product or service balanced against the value for the citizen? (This irrespective of whether or not customers pay directly for products and services, it is important that the cost of the product or service is balanced against the perceived by the recipient).
- ***Access:*** Are the services and products being delivered at a locality that enable citizens to make best use of services, without having to spend unnecessary funds to get to the place of delivery?
- ***Equity:*** Are the services and products provided without discrimination?
- ***Flexibility****:* Is the client offered any alternatives as to time, cost, place of delivery etc?

Using service standards, which are agreed upon and made public ensure that:

- **Customer needs are met**
- **The public know what to expect**
- **Staff know what the public expects**
- **Staff know what and how to deliver**
- **Performance can be measured and managed**
- **Performance can be compared or benchmarked**
- **Performance improvement can be monitored and managed.**





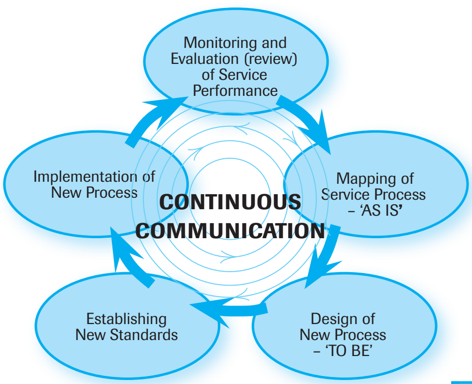
Municipalities need to inform and engage with citizens on their service standards.

5

Communicating about Services and Service Standards

This chapter covers external communication with citizens regarding services and service standards, and internal communication as a key aspect of service improvement.

It gives also an overview of the communication tools and methods that can be used to respond to these citizens' questions regarding services.



See page 31 with details how to communicate at different stages.

Communicating with citizens about services

The main concern of citizens is that municipalities deliver good quality services to meet their needs. Public communication is thus essential to enable citizens to know

- how to access services
- what service standards to expect
- how to give feedback or complain about services
- what is being done to improve services.

Transparency regarding service delivery, service standards and service improvement efforts will result in realistic expectations on the part of citizens, and encourage striving by municipal councils and staff to meet public commitments.

A good starting point for communicating with citizens is to identify what they want and need to know, and then decide how to respond. The most common questions that citizens ask about municipal services are:

CITIZENS' QUESTIONS ABOUT SERVICES

- What services does the municipality offer?
- How and where do I access a particular service, and what is required?
- What standard of service can I expect? How long will it take, the cost, level, quality, etc.?
- What can I do if I am not satisfied with a service, or want to give positive feedback, or make a proposal or enquiry?
- What is the municipality doing to improve service delivery?

What services does the municipality offer?
How, where and when can I access a particular service, and what is required?
What standard of service can I expect? How long it takes, the cost, level and quality?

A Catalogue of Services

A Catalogue of Services (CoS) answers the above questions by listing all the services that a municipality provides and giving the most important information that citizens need on each service. It is the most basic and essential public communication document on services that informs citizens what service are available, how to access them and what to expect.

At the same time, a publicly communicated CoS is a commitment by the municipality to deliver services and meet standards stated in the CoS.

The CoS only gives the basic service standards of interest to citizens, or it becomes too long and complicated. Departments can have more detailed standards for each service that guide staff regarding quality and quantity, cost-effectiveness and time for internal processes, etc.

The Mymuni Catalogue of Services

The Mymuni Service Improvement Team (SIT) designed their CoS so that it included essential information that citizens needed to access services, and the basic service standards. Here is a sample page from the Mymuni CoS.

WATER SERVICES

TIMES: All services are available Monday to Friday between 8.30 and 4.00

Service	Department & location	Contact/ phone number	Service standards (response time, service level, cost)	Requirements /conditions to access the service
Account payments and billing queries	Finance payments counter	029-12345	Max. wait 1 hour. Bill correction – 5 days	Last account
Connections and meter installation	Technical – Room 46	029-23456	5 days Meter on pavement, connection at site boundary Af 500	Title deed, erf number, ID
Technical problems – faulty meter, burst pipes, leaks, blocked sewers, etc.	Technical – Room 46	029-34567	Emergency 2 hrs., other 48 hrs. No on-site repairs No cost	None
Indigent application – for households that cannot afford to pay their service accounts	Finance – Room 23	029-45678	Investigate and agree in 14 days Individual agreement, depending on your circumstances No cost	Household income less than Af 2 500 household members list and IDs, municipal bill, unemployment registration (if applicable)

GENERAL ENQUIRIES: at the Info desk, or tel. 029-987654

NOTE: Municipalities can customise their own CoS, e.g. some prefer all calls to a central enquiries number, and will thus not give departmental contact details. They can also decide which service standards are most important for citizens to know for different services.

How Mymuni communicated their CoS

The Mymuni Service Improvement Team (SIT) decided that the CoS should be widely communicated so that citizens were aware it and able to access it. They realised that the provision of good municipal information was a service in its own right.

They used the following communication methods to inform citizens about the Catalogue of Services

- the Mymuni website
- a CoS booklet
- a poster on the CoS, showing key services
- public notice board in the foyer.

The CoS booklet was produced as a print-on-demand booklet to minimise costs and enable easy updating. It was available at all service desks, and was given or posted to any citizen on request. The availability of the CoS was communicated in the municipal newsletter, in the local newspaper and in all public communication regarding services. Posters were put up in all municipal facilities and areas accessed by the public, including libraries.

An excerpt from the Mayor's annual budget speech was put on the back of the CoS booklet and on the website, and a shorter quote was put on the poster.



Excerpt from the Mymuni Mayor's speech

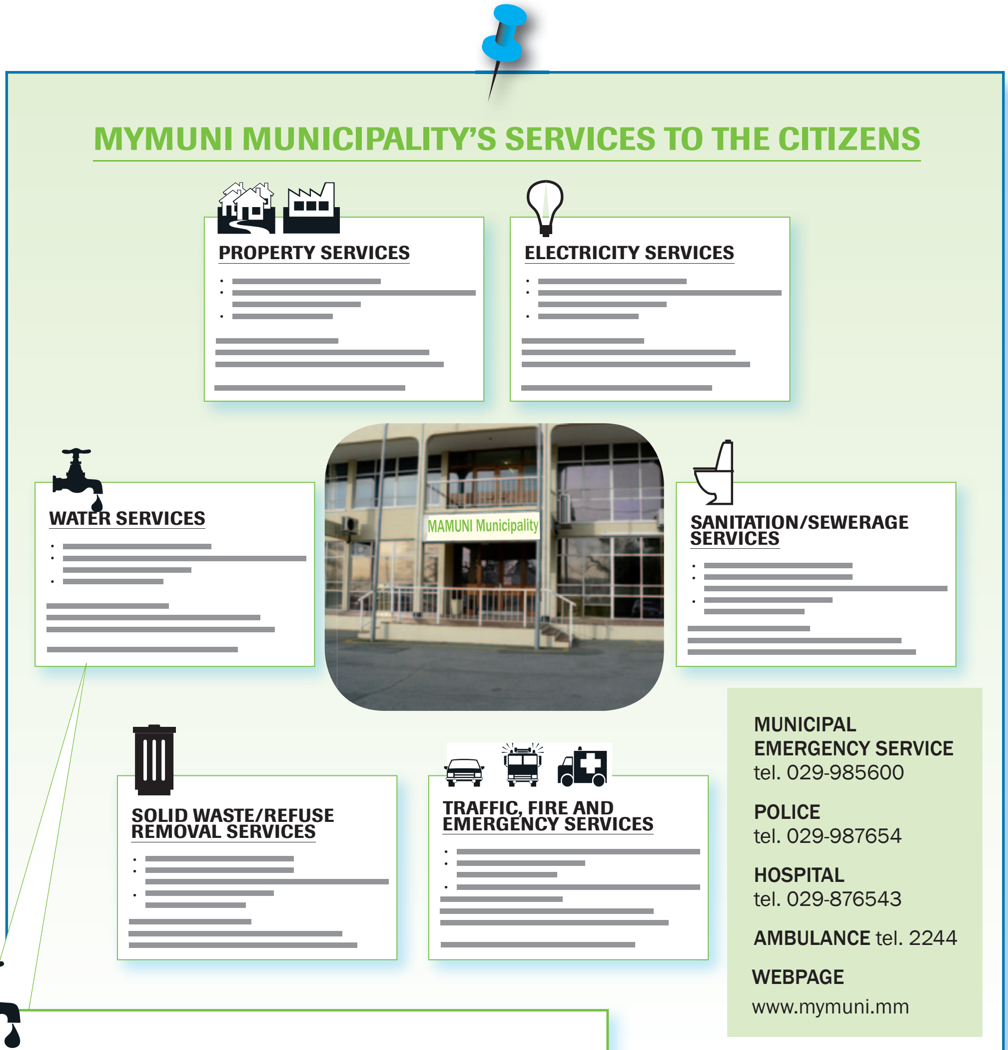
"Citizens have elected this council to improve service delivery, and we are committed to doing so. We have initiated a service improvement process that will assess all services, identify and solve problems, and set new service standards.

For example, last week Mrs Ntuli got her water connection within five days of her application, whereas last year people waited for up to two months. The service team also repaired the damage to her sidewalk immediately, as part of the job. Previously it would have taken months for the roads department to do this. Other services have seen similar improvements, which are shared in our latest Mymuni newsletter, and on the website.

We have also produced a Catalogue of Services with key service standards, so citizens know what to expect, and can hold us accountable. We intend to perform according to these standards, and we welcome your feedback and complaints when we don't, as this will help us to improve our services to meet your needs."

Service standards poster

Service standards define the the level of service, the response time, the cost and how to access a service. They tell citizens what they can expect and set standards for staff performance. *For more on service standards, see chapter 4 on page 20.*



WATER SERVICES

- Tap water will be safe for drinking and comply with SANS 241 quality standards
- No household will be without a water supply for more than 1 day, or a total of 7 days per annum
- Account payments and billing queries
- Connections and meter installation
- Technical problems – faulty meter, burst pipes, leaks, blocked sewers, etc.
- Indigent application

OPENING HOURS
All services are available Monday to Friday 8.30 – 4.00
GENERAL ENQUIRIES: at the Info desk, or tel.029-987654

WEBPAGE www.mymuni.mm/waterservices

Catalogue of Services booklet



What can I do if I am not satisfied with a service, or want to give feedback, make a proposal or enquiry?

Feedback and Complaints Mechanisms

Feedback and Complaints Mechanisms (FCMs) are an essential means for citizens to communicate their complaints, compliments, suggestions and questions regarding services. FCMs invite two-way communication, but must include effective response mechanisms, so that citizens complaints are heard, acknowledged and acted upon.

Effective FCMs ensure that citizens are not frustrated that they cannot communicate with their municipality, that they are not heard, or that complaints do not lead to action. It is essential that municipalities communicate the availability of FCMs to citizens, and that feedback is welcome, so that they are known and used.

FCMs also provide valuable feedback on service improvement from the customers' perspective, which supports service improvement efforts. As such, FCMs are an essential component of any services monitoring and evaluation system, and all feedback needs to be recorded and analysed, and responded to and acted upon when appropriate.



Communicating to the public on the performance against set standards is vital to ensure the credibility of service standards. This requires that service standards are clearly communicated to citizens and that municipalities listen to citizens' feedback.

Emphasize positive feedback!

When the Mymuni SIT saw the positive feedback citizens were giving on improved services, they decided to put a selection of comments up on a notice board in the service area, with photos of the citizens who made them, where this was possible, and acceptable to the person concerned.

This acknowledgement of citizen's input encouraged citizens to use the FCMs, and motivated staff to keep striving to give excellent customer service.



Feedback and Complaints Mechanisms at Mymuni

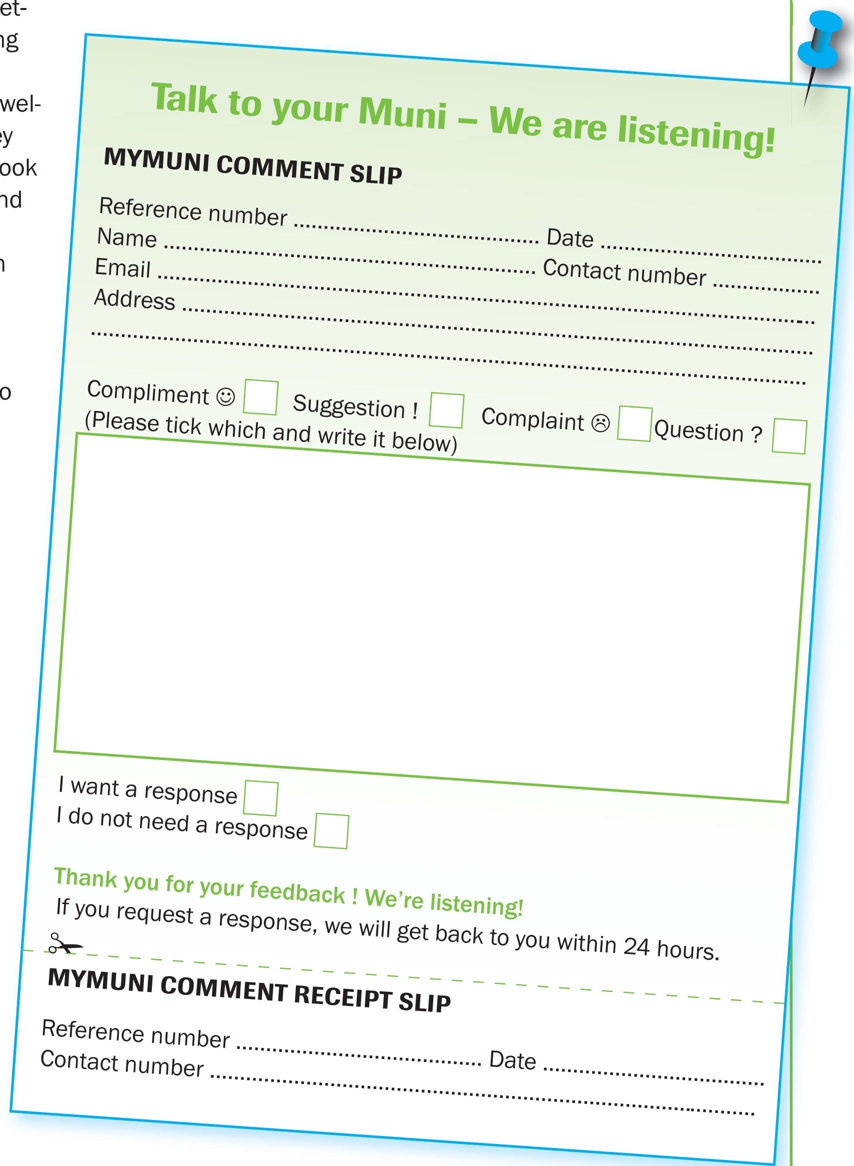
The Mymuni Service Improvement Team (SIT) decided that it was essential to provide effective feedback and complaints mechanisms (FCMs). The FCM system included acknowledging feedback and complaints and standards for appropriate and timely responses and action. Analysis of FCM input indicated where and how services needed to be improved, while positive feedback acknowledged achievements and encouraged staff to do even better.

The Mymuni SIT realized that FCMs would only used to the extent that citizens knew about and could access them, so thus decided to

- put up a notice in public areas listing all FCMs, with contact numbers, web address, etc.
- put the FCM notice on the website and in Mymuni News
- put up visible signs with orange lettering and graphic icons indicating the comment box and book, that comments and complaints were welcome at the info desk (where they were recorded in the comment book by the info officer), the hot-line and SMS numbers and web address
- councillors shared the FCM list in local meetings and forums and encouraged people to use them.

Speeches and public statements also referred to the importance of feedback and complaints for Mymuni service improvement, and the availability of FCMs.

They also came up with a slogan to encourage citizens' feedback and complaints: **Talk to your Muni – We're listening** which was used wherever FCMs were communicated. The comment box and book are checked daily, and the response time is within 48 hours. Comment slips and books are available in all three main local languages, as are signs indicating these and other FCMs.


Talk to your Muni – We are listening!

MYMUNI COMMENT SLIP

Reference number .... Date ....
Name .... Contact number ....
Email ....
Address ....
....

Compliment ☺ ☐ Suggestion ! ☐ Complaint ☹ ☐ Question ? ☐
(Please tick which and write it below)

I want a response ☐
I do not need a response ☐

Thank you for your feedback ! We're listening!
If you request a response, we will get back to you within 24 hours.

MYMUNI COMMENT RECEIPT SLIP

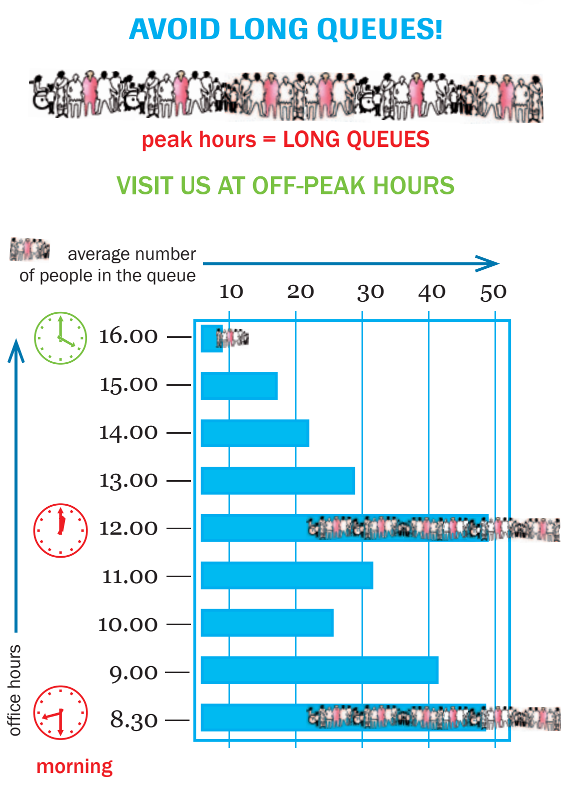
Reference number .... Date ....
Contact number ....

Communicating peak and off-peak queuing times

The Mymuni Service Improvement Team found that a common citizens' complaint was the time spent in long queues. So they put up notices at service counters informing citizens of peak and off-peak times, so they could come at less busy times.

This also helped to spread the load for officials, and avoid having too few staff at peak times and too many at off-peak times.

Peak time chart



Soliciting feedback

Municipalities don't need to wait for citizens to give feedback, and not all will do so, even when dissatisfied. So why not ask for feedback as an aspect of your service improvement effort? This can be done by

- asking citizens waiting in municipal queues
- asking local/ward committees and forums
- a survey in the community
- a questionnaire on the website and in the municipal newsletter.

Such proactive surveys can concern all services or particular services. However, a survey is only worthwhile if the data it yields is analysed and used, which requires proper planning, implementation and data processing, according to accepted survey methods.

FEEDBACK AND COMPLAINTS MECHANISMS CHECKLIST

Feedback and Complaints Mechanisms		✔
1	Comment book	
2	Feedback and Complaints Hot-line	
3	Phone call to a department	
4	Sms to the Hot-line	
5	Website comment box for feedback on services	
6	Face-to-face complaint to an official, their manager or customer service officer	
7	Ward/local councillor or committee meeting	
8	Community forums or Imbizos	
9	Customer service survey (interviews/questionnaires)	
10	Road shows that elicit feedback	
11	Comment box (for complaints, comments, compliments and suggestions) with forms/slips and pens provided	

What is the municipality doing to improve service delivery?

Informing citizens about service improvement initiatives

Many citizens are not satisfied with service delivery and are asking what municipalities are doing to improve services. Municipalities thus need to communicate their commitment to, and efforts at service improvement to citizens. Useful tools are

- a service charter or statement of values and commitment, which could also be from a speech or public document such as the annual plan or report. A service charter is similar to a vision and mission statement, but focuses on customer service and service standards.
- a overview of service improvement efforts and measures
- a diagram of the service improvement process.

Effective ways to communicate the above

- the website and municipal newsletter
- the local newspaper and community radio
- at ward/local committee meetings and public forums
- speeches and public documents.

Mymuni public statement of commitment to service improvement

OUR COMMITMENT TO
IMPROVING SERVICES TO CITIZENS
of
MYMUNI MUNICIPALITY

Mymuni strives to provide the best quality services possible to all its citizens, given available resource. We will treat all citizens with courtesy and respect, as our valued customers.

Our aim is to meet your needs to the best of our abilities, and to continuously improve our services in term of

- delivery time
- quality
- cost-effectiveness
- accessibility
- public information and communication.

Our service improvement process has started with water, sanitation and electricity services, and will focus on these services in the second half of 2011.

We welcome citizens' feedback and complaints as an important source for learning to do better. We are committed to transparency and effectively communicating public information about services, service standards and service improvement to all citizens.



COMMON STAFF QUESTIONS ABOUT SERVICE IMPROVEMENT

- What is service improvement about?
- Why is it necessary
- How will it affect me?

Internal communication for service improvement

Good internal communication and consultation are critical for successful service improvement (SI), as a change management process. Councillors and managers need to lead improvement processes by informing and involving staff regarding

- why improvement is needed
- the vision, values and objectives
- the improvement process
- the implications for and involvement of staff
- the intended benefits for customers and staff.

If the leaders communicate their commitment and enthusiasm, staff will be motivated to actively participate in improving services.

Leadership commitment and communication – key to service improvement

Real commitment and active communication by Council and senior managers is essential to improving services. They are responsible for ensuring that service provision is effective, and need to:

1. **Care about community needs**
2. **Publicly commit to improving services**
3. **Assess service performance and standards**
4. **Identify and solve problems**
5. **Plan and implement service improvement processes**
6. **Communicate with and motivate staff to improve services**
7. **Manage service improvement by planning, organising, monitoring, evaluating and reporting on improved performance**
8. **Communicate with citizens regarding services, service standards and service improvement**

Internal service improvement communication at Mymuni

The Mymuni Service Improvement Team (SIT) understood the importance of good internal communication in the service improvement process. They also knew that leadership was critical, and that good leaders influence and motivate others by communicating effectively. If council and management were not actively and visibly committed to service improvement, no-one else would be.

They started with a presentation and discussion session for council and all managers. This wasn't difficult to arrange, as the Municipal Manager had decided to lead the SIT himself, and it consisted of all department managers, the HR Manager and three committed councillors.

In planning the service improvement process, they paid special attention to communication, and decided on what needed to be communicated and how. They decided that important things that everyone needed to know were

- the overall service improvement plan, goals and values
- service improvement methods
- progress in improving services
- success stories and good practice examples
- difficulties, challenges and lessons.

The methods they used are given in the checklist on next page.

The Mymuni SIT found that face-to-face, two-way communication was most effective in engaging and motivating staff, as it enabled participation, cooperation and learning. Staff at different levels and in different departments got to know each other, and they enjoyed the new responsibility of improving services and working and learning together in teams.

Good internal communication addressed staff concerns regarding service improvement in terms of changes in current practices and how they might be affected. Their fears were allayed when they realised that change would not be imposed on them and that they were participants in and drivers of their own service improvement processes.

They soon found that the challenge of continuous improvement made their jobs more interesting and interaction and communication with colleagues and customers more frequent and meaningful. They were proud to be partners in the Mymuni success story, and they knew that if Mymuni service delivery was ever in the news, it would be for the right, rather than the wrong reasons.

INTERNAL SERVICE IMPROVEMENT COMMUNICATION CHECKLIST

Internal service improvement communication processes		Mymuni ✔
1	Regular briefings on SI plans and progress by the MM at monthly staff and council meetings	✔
2	Service improvement training	✔
3	Monthly departmental reports to the SIT on progress, also posted on the municipal intranet	✔
4	SIT discussion of challenges and lessons in implementing SI	✔
5	Portfolio councillors participating in departmental SI meetings	✔
6	A service improvement section section with a monthly news and lessons input by the SIT, plus a discussion forum on the intranet	✔
7	SCTs are presented and explained to local/ward committees	✔
8	A Service Improvement page in the municipal newsletter, showcasing successful service improvement initiatives and those responsible	✔

Internal service policies for water service staff

Water services staff decided on the following internal policies as part of their service improvement process

1 Slips in the F&C box and comments book to be analysed daily and reported on to the water department manager on a weekly basis
2. Any serious complaint or issue is to be reported to the water services department manager and followed up immediately
3. A weekly F&C report will be shared with and discussed by all staff at the weekly team meeting
4. All public notices will be checked weekly, updated if necessary and removed if outdated.
5. The customer service staff team will meet weekly to review the week and
   - consider key items in the feedback and complaints report
   - plan follow-up on specific complaints
   - identify and address problems
   - suggest and plan improvements.

Citizens expectations need to be reviewed periodically, as they change over time.

SERVICE COMMUNICATION CHECKLISTS

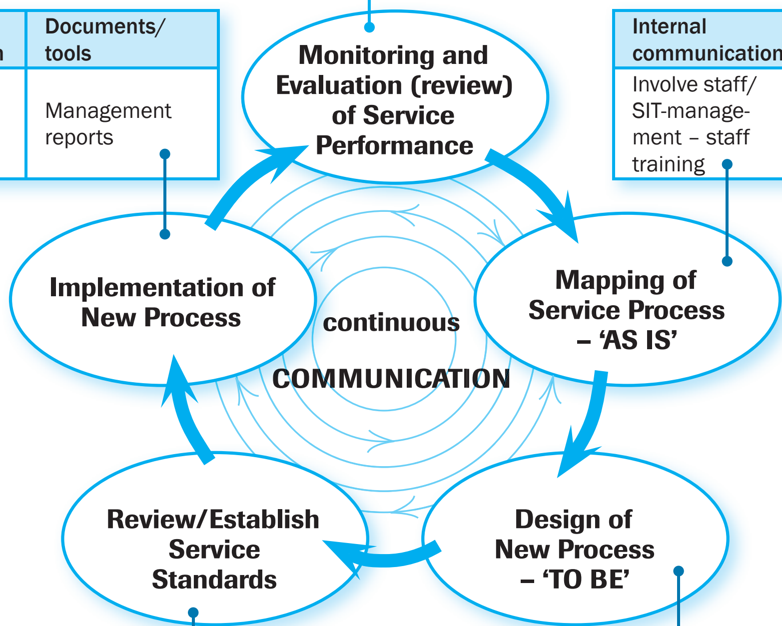
	Service communication tools (SCTs)	✔
1	Catalogue of Services (CoS)	
2	Service Standards included in the CoS	
3	Summary of service improvement policies and values/Service Charter/Public statement of commitment to service improvement	
4	A poster giving an overview of services	
5	Feedback and Complaints Mechanisms list	
6	Service improvement process diagram	

	Service communication methods	✔
1	Speeches and presentations by municipal leaders focus on service improvement and refer to SCTs	
2	Include sections on service improvement in key public documents such as annual plans and reports, (and in the summary versions)	
3	All service communication tools (SCTs) on the municipal website	
4	SCTs are shared in the municipal newsletter	
5	SCTs are posted on municipal notice boards	
6	Good signs and notices on walls in service areas	
7	Copies of SCTs are available to citizens on request	
8	SCTs are shared in local newspaper/s	
9	All councillors and service staff have, understand and can use hard copies of the SCTs to explain services and service standards to citizens	
10	SCTs are presented and explained to local/ward committees	
11	Service improvement commitment and initiatives are presented and explained on local/community radio programmes	

COMMUNICATION IN THE SERVICE IMPROVEMENT CYCLE



Service Improvement Team (SIT)



Monitoring and Evaluation (review) of Service Performance

Internal communication	Documents/ tools	Communication with citizens
Involve staff/ SIT-management – staff communication	Management reports Feedback and complaints mechanisms	Visible FCMs communicated as in previous steps

Mapping of Service Process – 'AS IS'

Internal communication	Documents/ tools
Involve staff/ SIT-management – staff training	Process maps

Design of New Process – 'TO BE'

Internal communication	Documents/ tools
Involve staff/ SIT-management – staff training	NEW Process maps

Review/Establish Service Standards

Internal communication	Documents/ tools	Communication with citizens
Involve staff/ SIT-management – staff communication	Catalogue of Services New service standards	Website, booklet, poster, speeches, presentations, newsletter and local press

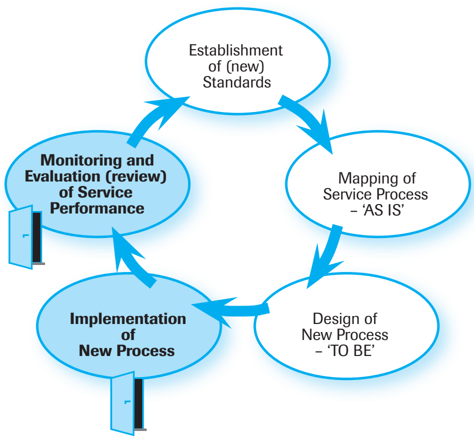
Implementation of New Process

Internal communication	Documents/ tools
Involve staff/ SIT-management – staff communication	Management reports

6

Embarking on a Service Improvement Process

The purpose of this chapter is to provide a brief outline of the service improvement process steps, including how to map service processes 'AS IS' and how to design new streamlined service processes 'TO BE'.



Process improvement in your own environment

Before embarking on a service improvement process, it is important to agree on a set of principles to govern the work onwards.

Process Improvement Principles

- ☑ Focus on customer needs
- ☑ Externally, give members of the public a single and accessible point of contact
- ☑ Internally, focus on activities which deliver value to customers
- ☑ Concentrate on flows and processes through the organisation
- ☑ Remove non-value added activities
- ☑ Undertake parallel activities
- ☑ Speed up response and development times
- ☑ Concentrate on outputs rather than inputs
- ☑ Prioritise service delivery rather than the maintenance of control
- ☑ Keep the number of core processes to a minimum
- ☑ Ensure that continuous improvement is built into implemented solutions.

Process improvement identifies, analyses and redesigns processes within an organisation to improve efficiency. It aims to achieve the same or even better results using fewer resources. Cost-cutting and waste reduction are major objectives. Waste reduction is applied to all resources, including money, materials, time and even the number of staff

involved, in order to do more with less, which is a basic definition of efficiency.

Where this is done ***to*** staff rather than ***by*** them, the result can be stressed and de-motivated staff and a loss of trust and cooperation between management and staff. It is thus important that staff is involved in improving their own service delivery processes. This can be a motivating, learning and empowering approach. It is useful to involve stakeholders such as local politicians and unions from the beginning.



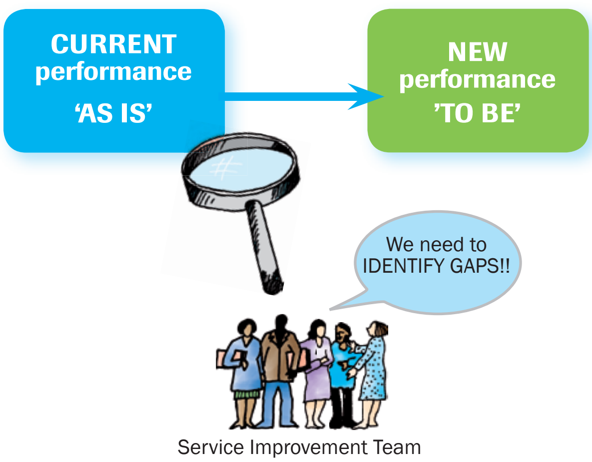
Staff involved in the selected service process up for review map the 'As Is'.

Mapping the service process – describing the 'AS IS'

Before launching a service improvement process it is important to take stock of the current performance and to identify gaps in service provision. Analysis existing service gaps will identify waste in service processes and unnecessary detours that effect negatively on service performance.

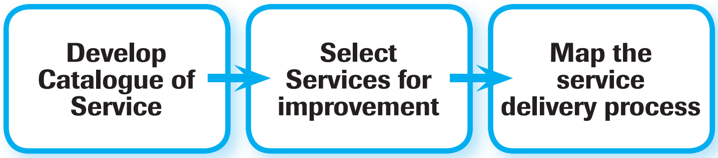
In order to improve the process, the managers and staff who will be involved in service improvement can examine the process and look at ways of redesigning it to make it more effective and enhance the citizen's experience.

Below is a process laid out on how to initiate service process mapping:





The 'To Be' process comes with a set of recommendations, both quick fixes that can be made immediately and those changes that need financial resources to implement.



1. Develop a catalogue of services

A Catalogue of Services (CoS) is an inventory of all services offered by a municipality, grouped by type/department, and given a reference number. A CoS is required to identify, define and manage the services offered by a municipality.

2. Select services for improvement

It is not wise to try to improve all services at once. Rather select an initial number of services to begin with, as pilot improvement processes or projects.

> **Selection Criteria could be:**
> - **Poor current standard/citizens complaints**
> - **Priority service for citizens (the importance of a service for citizens)**
> - **Meeting of basic needs**
> - **Ease of improving the service**
> - **Significant costs and/or income to the municipality**
> - **Willingness of managers and staff concerned**
> - **Select a process with a costumer at the receiving end. Remember, citizens are not interested in your internal processes.**

The assessment of the criteria above could include elements identified in the second chapter How to Use this Guide and assessment tools described in the chapter on Monitoring and Evaluation of service standards.

3. Map the service delivery process: the 'AS IS'

The 'AS IS' process is laid out using a detailed flowchart of the process or processes involved in delivering the service that shows all the steps required and the decision points between the initial request/contact and the service result and variations on the process, if relevant.

In a flowchart, decisions are usually followed by a ***Yes*** or ***No***, which lead to alternative process routes. If a flow chart goes over one page, circles with corresponding number are used at the bottom of the page and the top of the following page to indicate how the process lines connect/continue. Flow direction is indicated by an arrow.

A flowchart can also show the average time taken for the process in a column down the side, or the times taken for each stage can be listed in a separate table.

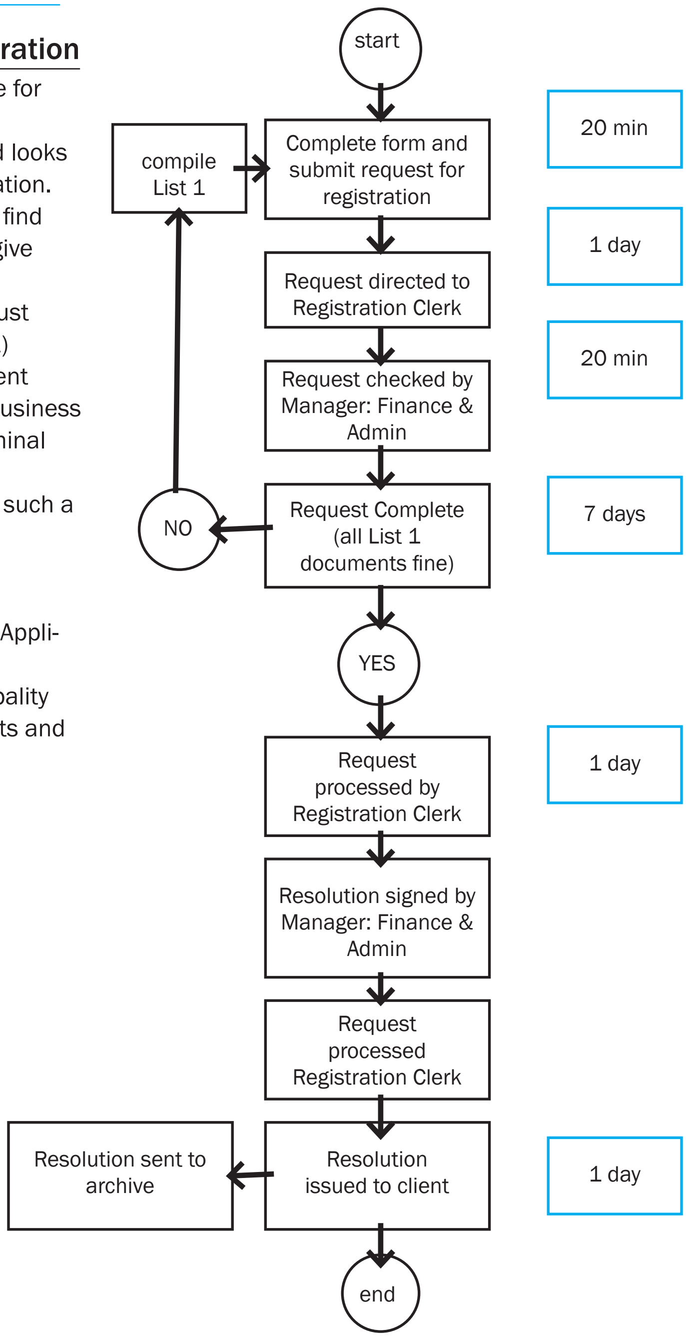
Creation of a flowchart requires observation and measuring of the process or reconstruction of the process through interviews with key actors. The flowchart could be broken down into more detailed process steps or consolidated, depending on its purpose.

The flowchart used in the example given, identifies the main steps, who is responsible, how long do they take and where delays are. Having identified the 'bottlenecks' a detailed analysis is done of those problematic phases to identify the cause of the delay. After the problems and their causes are identified, solutions can be considered and discussed.

Example of a 'AS IS' Service Flowchart

Process for Small Business Registration

1. Citizen seeks out the authority in charge for small business registration.
2. Citizen approaches the municipality and looks around for the relevant point for registration.
3. If they are instructed correctly they may find the appropriate staff member who will give them information.
4. Based on the information, the citizen must prepare the following documents (List 1)
   a. Certified copy of an Identity Document
   b. Certificate of fitness to run such a business
   c. Police Clearance Certificate (no criminal record)
   d. Qualifications showing ability to run such a business
   e. Ownership or rental contract
   f. Taxation Number
   g. A Completed Business Registration Application Form
5. Citizen approaches the Mymuni Municipality Reception Counter with these documents and the process starts:



Designing the new process: the 'TO BE'

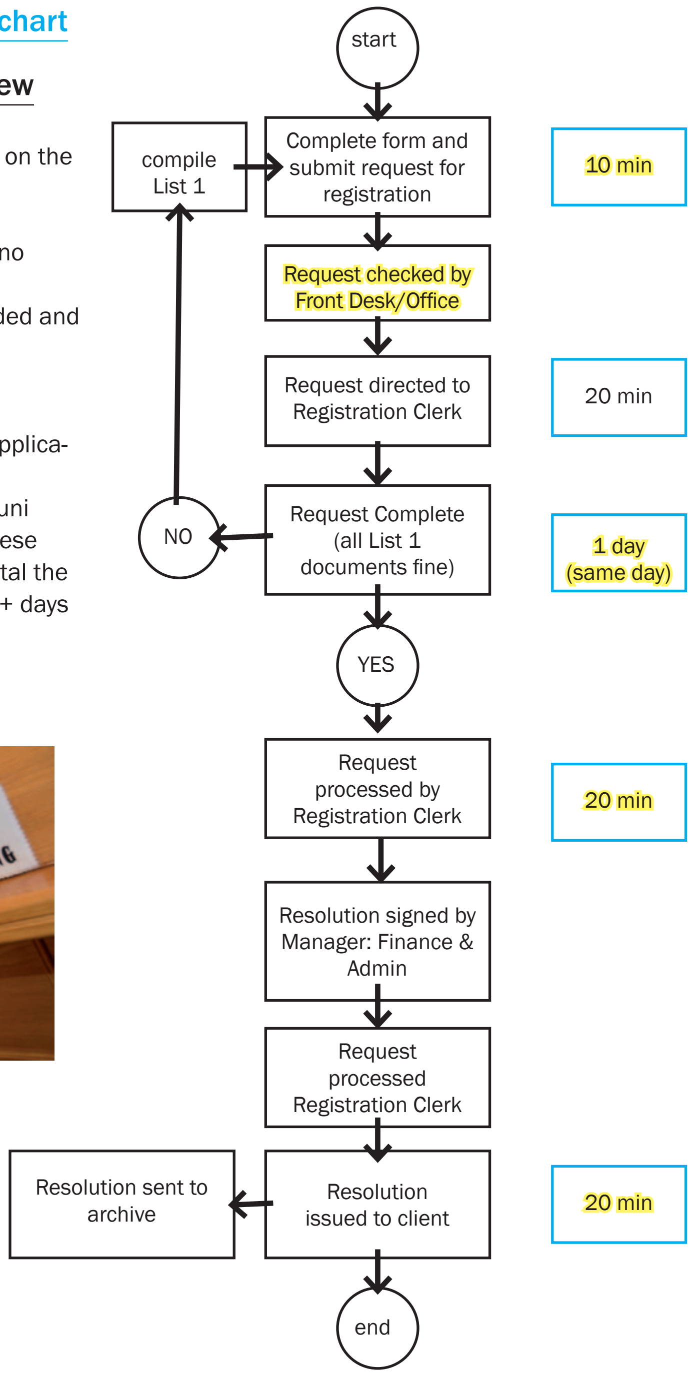
After having analysed the current service process 'AS IS', it is time to identify ways to make it more efficient. This usually involves reducing or combining steps, speeding up processes and improving communication and cooperation between staff or departments.

Then draw up a new flowchart that illustrates how the process can be shortened, speeded up or improved. The new process should simplify and make the process more efficient – without reducing but improving quality as experienced by citizen-customers.

Example of a 'TO BE' Service Flowchart

After Process Improvement, the new procedure is:

1. Front desk helps citizens with basic info on the procedure and all required documents
2. List is reduced to (List 1)
   a. Identity Document (for presentation, no need for certified copy)
   b. Police Clearance Certificate (not needed and replaced by a statement)
   c. Ownership or Rental Contract
   d. Taxation number
   e. A Completed Business Registration Application Form
3. The citizen may now approach the Mymuni Municipality Front Desk/Counter with these documents and the process starts. In total the process has now been reduced from 11+ days to (up to) 1 day.

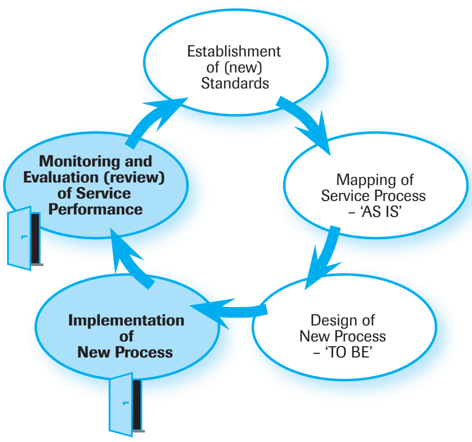




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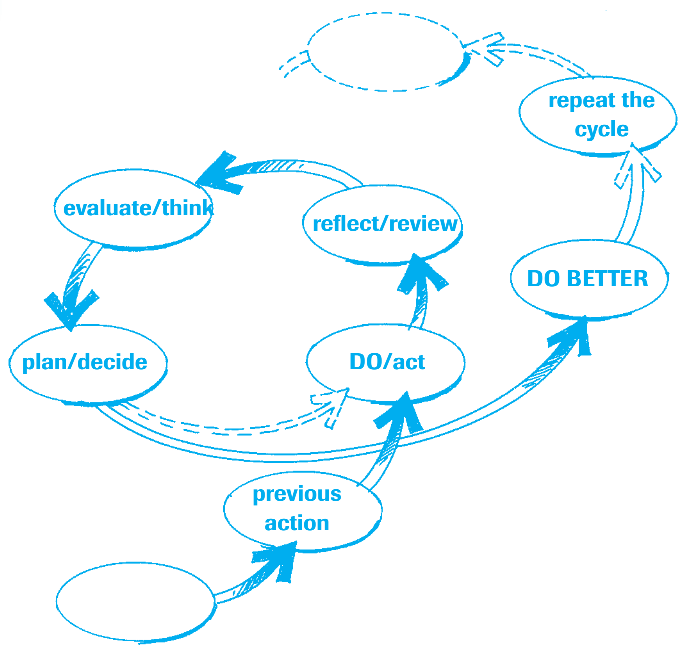
Implementation of New Service Standards

The purpose of this chapter is to guide the implementation of new service standards and the drafting of an implementation plan.



The implementation of new service processes and standards follow any other path of implementing change. And, as in any other action learning process, implementation needs to be carefully monitored and evaluated and reflected upon. Lessons learnt need to be converted into action for yet another cycle of activities to ensure the fostering of the continuous improvement mentality to break through.

Action Learning Cycle



A word on preparation and capacity building

The setting up of a Service Improvement team is critical to ensure commitment of those affected and have experience from service processes and standards. The responsibility of the SI team is to drive the service improvement process. The SI team (4–5 staff) need to be capacitated enough to lead the change process and thereafter to facilitate service improvement in the local government. The SI team should report to a management committee to validate process steps and get buy in from the start.



Service Improvement Team

Get management and council support

Support from management and council are essential for the success of any service improvement programme. Their commitment should be evident and institutionalised preferably in the formation of a Steering Committee (SC).

The SC should include senior managers and councillors with sufficient authority to guide the programme. It could also include citizen representatives, or establish and interact with a reference group of citizen-customers, ward or other local committees. If a SC does not include sufficient senior councillors and managers to achieve the requirements, its first task will be to engage them in this regard.

If an existing group has or takes on this responsibility, service improvement must be clearly established as one of their key performance indicators (KPI).

Establishment of a PSC is a clear commitment to service improvement, which should be clearly stated in the SC mandate or terms of reference and objectives

Commitment Requires

1. **A conscious decision to support a service improvement programme**
2. **A policy statement, and/or inclusion of quality service as a key element of the municipal vision and mission**
3. **Service improvement as a KPI for managers, with clear objectives that must be reported on.**

Holding managers accountable for implementing service improvement processes, i.e. monitoring and evaluation (M&E) of service improvement implementation

Capacity building of Staff

Before any capacitation can take place, it is important that the critical people are identified. It is recommended that all staff members from affected departments are included at least in awareness raising. Strategic decision makers, managers and staff who will be involved in the service improvement need to be fully capacitated to ensure that they can implement the service improvement process.

Capacitation includes training in technical areas such as process mapping, process re-engineering, developing a communication plan, and implementation plan, monitoring and evaluation of performance against set standards.



A transparent local government communicates how it's progressing in improving their services.

Steps in implementation:

- ***Setting of objectives:*** what do we want to achieve with our service improvement?
- ***Identify process owner:*** assign responsibility and accountability for developing service improvement initiatives. The best people to improve a service are those who are closest to the customer in delivering the service. They know the current process best, will often have ideas for improvements, and will need to implement and 'live with' the improvements. They will only be committed if they are involved and responsible.
- ***List activities to be piloted/implemented*** to enable change needed including time frames and milestones for reporting.

From MYMUNI

OBJECTIVE:

"By 2012 Mymuni is able to provide high quality processing of building plans within 15 working days."



Some additional pointers in implementation are:

- ***Identify who the target citizens are*** that are affected by intended service improvements;to involve in public consultation processes and learn what users regard as the most important aspects of the service.
- ***Consult with front-office staff*** who deal directly with citizens; to collect suggestions for service delivery improvements and to target for capacity building to develop a more citizen-oriented culture.
- ***Ensure that proper costing methods*** are used to support decisions and service standards, and that the costing methods themselves are cost effective.
- ***Ensure that citizens are informed*** of the service standards at the point of service.
- ***Establish reporting mechanisms*** (using existing structures) against the plan and how to communicate performance against the plan to citizens and other stakeholders.
- ***Monitor and evaluate the implementation plan.*** Analyse the new 'AS IS' and identify new service gaps to be addressed.
- ***Plan the next change cycle*** (another set of services, or in-depth change) or plan of implementation.

The development of standards is a learning process. Initial standards may be incomplete in some aspects, but as experience is gained, these standards can be improved and be extended to the range of services covered by the local authority.

Having service standards becoming an integral part with local government management may take some time.

Service improvement should not be implemented separate from other related developments, such as integrated development plans etc. Efforts should be made gradually to integrate service improvement and the setting of service standards with other initiatives on actual service delivery.

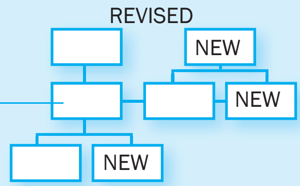
Activities may involve:

What implementation can imply

- A new policy on service improvement



- Reorganisation



- Streamlined work processes



- Service improvement in performance agreements



- New job descriptions



- Multi-skilling of staff
- Training of management and staff, technical and service quality



- Setting up of new service desks



- Changed ways of communicating



- Adjustments in budgeting

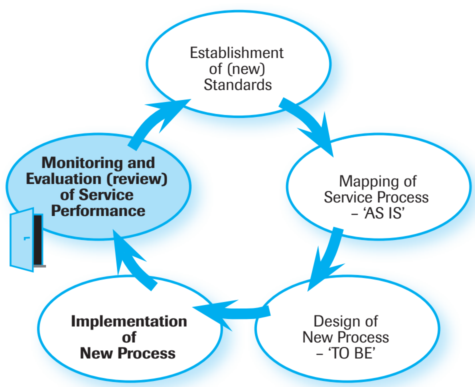


Service improvement initiatives and Service Standards should be implemented in a deliberate, planned manner, and should be based on action learning.

8

Monitoring and Review of Service Standards

The purpose of this chapter is to illustrate the use of monitoring and review to enable service improvement. It will further show how mechanisms of feedback and complaints can support the service improvement agenda.



Monitoring and review of service standards provide the fundamental tools that allow for continuous service process improvement. Monitoring and review of service standards is an important complement to process mapping (see chapter 6).

Whereas process mapping helps to identify waste and unnecessary detours in service processes, monitoring and review surfaces issues around effectiveness, relevance, citizen needs and expectations.

Monitoring service performance

Monitoring service performance is about checking the progress on service provision on a regular basis. Monitoring will help to surface problems in the delivery of local government services. This will indicate to management when service provision needs evaluating or service standards may need reviewing to improve service delivery.

Monitoring service provision and performance against service standards is about checking progress.

The monitoring of service provision and performance against service standards requires information management systems that records these regularly and progress reporting to management.

Mymuni has a service standard indicating that the issuance of a business license should not take more than 4 weeks. To monitor the performance against this standard Mymuni has set up a system in the front-office that records the number of people applying for business licenses per day and a questionnaire for applicants to indicate how long they had to wait for the issuance of the licence. These records are reported on a monthly basis to management.

Evaluating and reviewing service standards

Any local government who has adopted service standards must sustain such a policy with systems that assess performance against set standards.

Evaluation is about an in-depth scrutiny of service performance using various data collection tools, such as surveys to measure citizen satisfaction.

Reviews of service standards can be

- planned (as a regular feature supporting the local government's commitment to service improvement)
- ad hoc (e.g., due to new political agenda, etc.) or
- a response to increasing number of complaints recorded on a specific service.

The steps to review service standards are similar to those steps identified in chapter 7 on implementation around setting up of a SI team, leadership and staff involvement, etc. However, there are specific steps required for standards review, including:

1. ***Determining which standards or aspects of standards*** *(target, cost, quality etc.)* ***to be reviewed***

2. ***Analysis of current performance of standards***

   Analysis can involve asking questions such as:
   - How is the service functioning?
   - Are citizens satisfied with the service?
   - Are citizens getting value for money?
   - Is the service provision cost effective?
   - Is the service provided relevant? Does it meet citizens' needs and expectations?
   - Is the service effective? Does it make the life of citizens easier?

   Tools to collect information around the above questions include:
   - provision of suggestion boxes in service areas,
   - monitoring the volume and nature of complaints,
   - conducting surveys, focus groups,
   - citizens' client panels
   - community meetings
   - feedback forms in front office
   - site visits, etc.
   - public meetings
   - opinion polls on the website.

3. ***Consult with citizens on new standards***
   - find out what aspects of service delivery are most important to citizens
   - find out what needs to be improved and what is working well
   - find out both the costs of existing service levels and the major cost drivers.

4. ***Communicate new standards*** (please see chapter 5 on service communication).

5. ***Draft an implementation plan to implement new standards*** (please see chapter 7 on implementation).

Feedback and complaints

Citizens' feedback and complaints is an aspect of setting service standards. Citizens' feedback and complaints constitute an invaluable feature and input in any local government service improvement agenda.

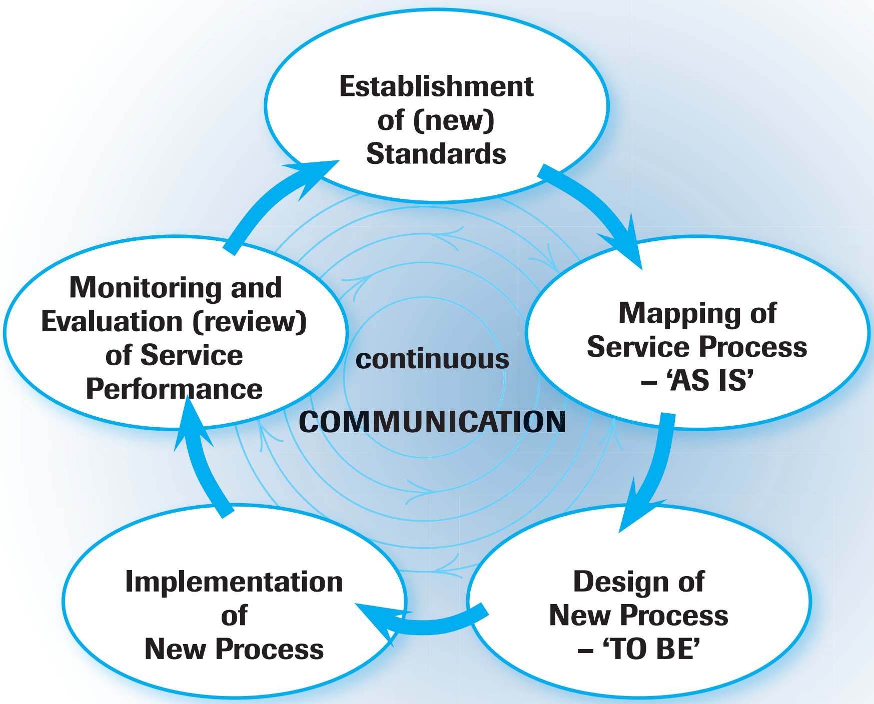
Read more about feedback and complains in chapter 5.





Successful Service Improvement Team

Active and well established
Service Improvement Cycle





Satisfied citizens – ratepayers

Acronyms

ALAN	Association for Local Authorities in Namibia
BALA	Botswana Association of Local Authorities
BPR	Business Process Reengineering
CoS	Catalogue of Services
EU	European Union
HOD	Heads of Departments
KPI	Key Performance Indicator
KSS	Key Service Standards
M&E	Monitoring and Evaluation
P^3	Partnership | Participation | Progress
SALAR	Swedish Association of Local Authorities and Regions
SALGA	South African Local Government Association
SC	Steering Committee
SI Team	Service Improvement Team
SIDA	Swedish International Development Agency



SERVICE IMPROVEMENT GUIDE

Part of the **Responsive Local Government** Toolkit: A Service Improvement Guide for South Africa, Namibia and Botswana.

This guide is intended for the municipal leadership, staff and other local government stakeholders to get a basic understanding of Service Improvement, the customer perspective on service delivery, the communication thereof, and an overview of an approach to service improvement involving them as key players.

THE TOOLKIT CONSISTS OF FOUR ELEMENTS

1. A **SERVICE IMPROVEMENT GUIDE** that sets out to explain the concept of Service Improvement, its benefits, and why it's necessary in local government, targeting both officials and politicians. It also provides an overview of the steps that can be taken in a Service Improvement initiative. The guide can be used independently as well as reference material in training.

2. **FACILITATOR´S GUIDE** that outlines the Service Improvement process and steps taken, including some generic material around facilitation. This facilitator´s guide will be used in the training of trainers of facilitators and 'change agents' in municipalities to drive the Service Improvement process.

3. The Participant's **WORKBOOK** is an exercise book that is left with participants in Service Improvement training.

4. A **CD** with instruction videos, and other support material for facilitators.

Part of the Responsive Local Government Toolkit

Swedish Association of Local Authorities and Regions
SALGA South African Local Government Association
bala BOTSWANA ASSOCIATION OF LOCAL AUTHORITIES
P3
Sida
This cooperation is funded by the European Union and Sida



2

RESPONSIVE LOCAL GOVERNMENT TOOLKIT

RESPONSIVE LOCAL GOVERNMENT

Facilitator's Guide

Facilitator's Guide for Service Improvement in South Africa, Namibia and Botswana

RESPONSIVE

Responsive Local Government is a toolkit to customer-oriented service improvement based on the practical experiences from local governments in South Africa, Namibia and Botswana.

Local government is at different stages in improving service delivery to respond to changing environments and customer expectations. The SERVICE IMPROVEMENT GUIDE offers a cyclical step-by-step approach, guided by skilled facilitators, based on the current situation, whether it is about starting a service improvement intervention for the first time or reviewing existing service standards.

This FACILITATOR'S GUIDE constitutes the main supporting tool in the training of service improvement facilitators. The approach and process is based on service improvement interventions piloted in local government in South Africa, Namibia and Botswana.

It is further supported by a Guide on Service Improvement and a PARTICIPANT'S WORKBOOK with exercises to be used in a targeted service improvement intervention that capacitates both management and staff to embark on service improvement processes.

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Contents


TECHNITRON
COMPUTER
SOLUTIONS
SERVICE AND
TRAINING
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Using this Guide

This Guide is designed to help trained facilitators to implement Service Improvement (SI) in their municipalities. It describes the SI process and gives guidelines on introducing SI, running short workshops for managers and staff, and supporting them to improve services.

The Facilitator's Guide is part of a package of Service Improvement materials

- The Service Improvement Guide
- The Facilitator's Guide
- A Participant's Workbook
- A Resource CD.



Referring to related materials

Facilitators need to refer to the Service Improvement Guide for details on key themes in workshops such as 'As Is' and 'To Be' mapping, service standards, the Catalogue of Services and Feedback and Complaint Mechanisms. ◎ ***REFERENCE*** in this guide reminds you to do so.

Instructions for exercises in the training workshops are in the Appendix to this guide, while the Participant's Workbook contains formats for each exercise and the CD has visual examples. When preparing an exercise, refer to all these sources.

> "The Service Improvement Guide is a key reference for managers, SI Champions and facilitators!

The Resource CD includes PowerPoint presentations, videos of exercises and examples of service process maps. This Guide explains the process and workshops in some detail. However, municipalities and situations differ, so you may need to adapt the process and workshops to make them work better in your situation.

Tips from experienced facilitators
The guide includes tips from Beverley (Bev) April Pillay and Ntombizakhe (Zakhe) Bungane (SA), Segametsi Moatlhaping (Botswana) and Golda Kamboua (Namibia), who have used the Service Improvement tools in municipalities. They share what they have learned, to help new facilitators.

ZAKHE SAYS

Be flexible and open to changes in the process. You can't anticipate everything that will happen and how the process will unfold, but don't lose direction. Discuss changes with others and agree on what will work best for everyone involved.





BEV SAYS

Facilitating simply means to help others or make something easier for them. A Service Improvement facilitator helps managers and staff to discuss, assess and improve the services they deliver, to better meet Citizens' needs.

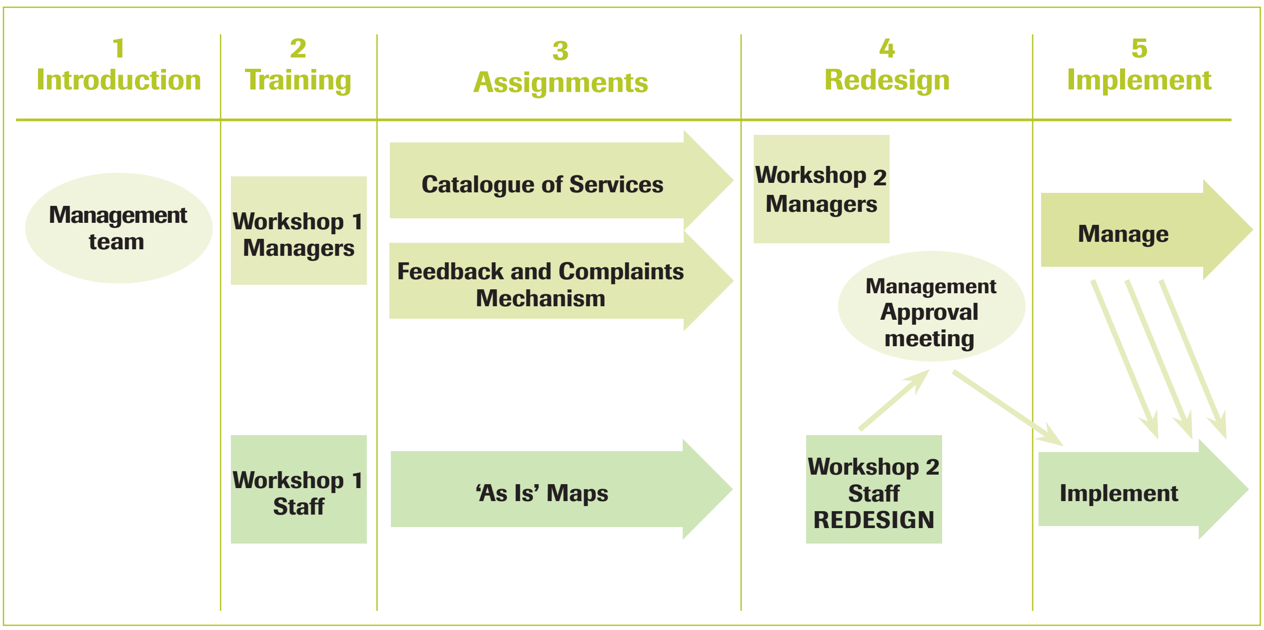
The Service Improvement Process

Municipal Service Improvement aims to provide better services more quickly, to meet citizen's needs and expectations.

The five phases of the Service Improvement process

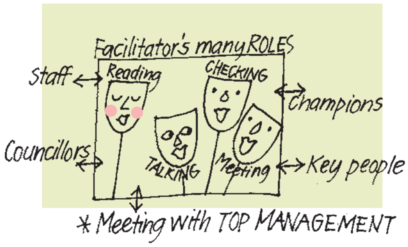
1. **Introducing Service Improvement**
2. **Training managers and staff to improve services**
3. **Mapping selected service processes**
4. **Redesigning processes**
5. **Implementing and monitoring improvements.**

The Service Improvement Process



Facilitators don't assess service processes and tell the staff to improve them, they help them to assess and improve their own processes. Involving staff generates enthusiasm and responsibility for ongoing Service Improvement.

Phase 1 – Introducing Service Improvement



Phase 1 introduces Service Improvement (SI) and the SI process to managers, gets their buy-in and finds Champions who volunteer to lead the process in their departments.

> A Champion is someone who believes in something and takes the lead in making it happen.

Phase 2 – Training Managers and Staff



Phase 2 involves a half-day workshop for managers and a one-day workshop for staff with practical assignments in between.

Workshop 1 with Managers

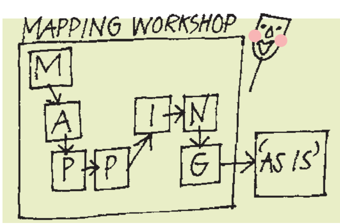
In their first workshop, managers learn to understand customer-focused services, service standards, how to map service processes, and feedback and complaints mechanisms.

Workshop 1 with Staff

In their first workshop, staff teams involved in selected services learn about Service Improvement, how to map service processes and how to work together to improve their services.

Phase 3 – Mapping selected service processes

Staff assignment



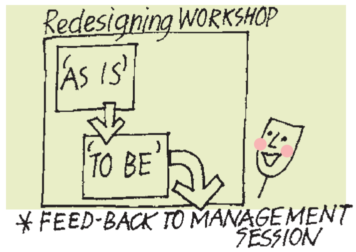
After their first workshop, staff teams map selected service processes 'As Is', and identify the current service standards.

Management assignment

Sub-groups of the management team develop or improve a Catalogue of Services (CoS) and Feedback and Complaints Mechanisms for their municipality.

Phase 4 – Redesigning processes

Staff Redesign Workshop



Staff teams redesign their mapped service processes to make them more efficient and effective ('To Be' mapping), and set new, improved service standards.

Some planned changes can be implemented immediately, others require senior management approval and financing, or time for re-organisation (e.g. changing policies, standards and job descriptions and developing new skills).

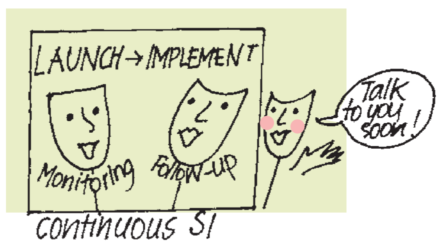
Workshop 2 for managers

At their second workshop the management team members present and discuss their proposals for the Catalogue of Services (CoS) and Feedback and Complaints Mechanisms, and discuss any other matters related to the Service Improvement process.

Management approval meeting

New processes and standards are presented to the management team for approval and support, including funding, if needed.

Phase 5 – Implementing and monitoring



Champions and their staff now implement the redesigned, improved service processes and work to achieve the new standards they have set. The manager monitors and reports on implementation achievements, difficulties, needs, and any further improvements.

The table on the next page gives gives an overview of the five phases, their outcomes, your role as facilitator, and the resources provided for you to use. The next chapters give detailed guidelines for each phase.

The Service Improvement Process – step-by-step

Phase	Process	Outcomes	Facilitator's role	Resources to use
Phase 1 **Introducing Service Improve-ment**	Meeting with management team (and councillors?)	Senior managers under-stand and support SI, and the SI process Champions are identified	Presentation and discussion with management team	PowerPoint presentation Service Improvement Guide (for managers)
Phase 2 **Training managers and staff**	Workshop with managers Workshop with staff teams	Managers and selected staff understand how to map and redesign service processes	Facilitate ½ day training workshops Facilitate planning of as-signments at end of workshop	Workshop pro-gramme and guide-lines PowerPoint presentations Structured exercises Participant work-books
Phase 3 **Mapping service processes 'As Is'** Develop CoS and Feedback & Complains Mechanisms	Assignments	Maps of selected service processes Current standards identified	Support team assignments	Examples of mapped processes
Phase 4 **Redesign-ing proc-esses 'To Be'** Present new processes for approval	Staff workshop 2 Managers workshop 2 Meeting with managers	Maps of proposed improved processes and standards Recommendations for changes Improved Catalogue of Services and Feedback and Complaints Mechanism	Facilitate redesign of processes in workshop 2	Workshop 2 programme and guidelines Examples of im-proved processes Participant workbooks
Phase 5 **Implement-ing and monitoring**	SI as an ongo-ing process and management responsibility	Improved service process-es and service standards Commitment to service excellence and ongoing improvement	Monitoring Repeating process with other teams and services	Implementation plan template

The role of the facilitator in Service Improvement

The role of the facilitator is to
- introduce Service Improvement and get management buy-in and support
- work with municipal and departmental Service Improvement Champions (*see page 12*)
- train managers and staff
- facilitate service mapping and redesign processes
- support ongoing Service Improvement by managers and staff.

In some cases there may be two trained facilitators in a municipality, who can work together. Facilitators should work closely with an overall Municipal Service Improvement (SI) Champion and Department Managers and others who volunteer as SI Champions. Facilitators will be involved in organising and managing the overall process, together with the municipal SI Champion and departmental Champions.

“ SEGAMETSI SAYS
Whatever you do, keep it as simple as possible.



Facilitation skills

Facilitators plan and guide the overall process and specific meetings and workshops. As a facilitator, your role is to help others to improve their own services, not to be an expert and tell them what changes they should make. This means guiding processes, facilitating participation and asking questions rather than knowing the answers. A facilitator
- is not a content expert or lecturer
- provides and guides processes in which people work together
- helps participants to interact and cooperate with each other
- helps participants to assess and improve their own service processes and standards.

As a facilitator, you enable people to learn in practical ways how to improve their work and its results for their customers. You facilitate processes which enable the people you work with to improve the services they provide themselves.

“ Facilitators help managers and staff to improve the services they deliver.

Managers as customer service leaders
Improved service delivery requires improved service processes and standards, but good customer service also depends on positive staff attitudes and a culture of customer service. This needs managers who champion Service Improvement and who involve staff in improving their own services, which most find interesting and engaging. The process encourages and enables managers to do this.

BEV SAYS

Staff need to shift their focus from internal procedures to the needs of their customers.

Developing measurable performance standards for services

Municipal services need set service standards, and managers and staff set these as part of the Service Improvement process. Service standards should then be communicated to citizens, so that, as customers, they know what to expect, and can give feedback or complain if necessary. Clear standards also enable managers to assess and manage staff performance, and are the basis for an effective performance management system.

As a citizen, all I want is a good service in good time.

Service Improvement involves learning new ways of doing things

With this approach, staff learn new skills and behaviours on the job. They take responsibility and find ways to do things better together. This is engaging and motivating. Sometimes new processes require reallocating or sharing tasks and changing job descriptions, and managers should guide these processes.

During the SI process, Departmental Champions (DCs) should increasingly co-facilitate the process, and in Phase 5, take over the facilitation role, so facilitators can move on and facilitate the SI process in other areas.

GOLDA SAYS



Ongoing service improvement is a management responsibility.

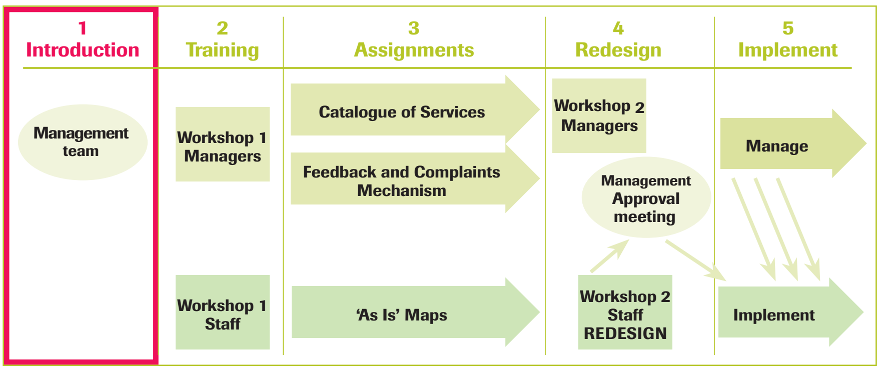
Challenges and responses

Some challenges facilitators might face are given below, together with ways to respond.

Challenges	Responses
Lack of management buy-in	Work with those who are willing
Resistance to change	Involve staff in making changes themselves
Staff are not held accountable for their performance	Set service standards with them Help managers review and improve performance management practices
Lack of inter-departmental communication and cooperation	Encourage thinking about internal customer-supplier relationships Encourage communication and cooperation where necessary

The following chapters give a step-by-step guide to the phases of the Service Improvement process.

PHASE 1
Introducing Service Improvement



Objectives

- Introduce Service Improvement to the top management team
- Get their buy-in, support and approval
- Identify Champions
- Plan implementation of the SI intervention process with them.

Service Improvement should be easy to 'sell'

Citizen's want better services, councillors need them if they are to remain credible and national governments expect municipalities to perform better, and officials need to embrace the idea. Getting involved in Service Improvement makes the work of officials more interesting, challenging and worthwhile, and enhances teamwork.

BEV SAYS

Involving councillors can be a powerful way to drive Service Improvement and make it a priority.

Including Councillors

Councillors need to know about and support Service Improvement. The MM/CEO should decide whether to include key councillors in the presentation to management, or have a separate presentation for Council.

Organising a meeting with the management team

To do this, you first need to speak to the munici-

pal manager (MM/CEO). It is best if s/he calls the meeting, as this shows his/her support for what you are bringing. If the MM/CEO is not approachable or open to development, you could approach any influential person on council or the management team who is likely to be interested, and ask them if they can arrange the meeting.

Introducing Service Improvement to the management team

The first meeting with top management is critical to get their interest, understanding and commitment. If they support Service Improvement, it is easy to launch the intervention.

During the meeting, managers learn about Service Improvement and its benefits, and have their questions answered. They need to understand the process, approach and their role, and agree to get involved. As the facilitator, you need to be enthusiastic and positive to encourage management support.

“ ZAKHE SAYS

When you introduce Service Improvement, your presentation has to be thorough so that they understand what this is about, how it differs from other training processes, and the benefits for Citizens as customers, and for the municipality.



The first meeting with top management serves as the launch for the Service Improvement intervention

“ BEV SAYS

Managers needs to see that SI is not a ‘quick fix’ but a process, and that they need to engage in the process.

Good preparation – the key to success
Read the Service Improvement Guide and Facilitator’s Guide, and go through the PowerPoint Presentations and watch the videos on the CD. Encourage all Champions to read the Service Improvement Guide. Work with the SI Champions in preparing for all phases of the process.

Checklist for SI Introductory Meeting with Managers	By when	Done ☑
1 Pre-meeting with municipal manager/CEO		
2. Councillors to be included have been invited		
3 Team meeting date and time agreed		
4 Notice of meeting plus Agenda sent to managers and invited councillors by the MM/CEO		
5 Suitable venue for presentation and discussion/team meeting arranged		
6 Laptop and data projector set up and tested for PowerPoint presentation		
7 Presentation practised		
8 Handouts – Benefits of SI and SI Process overview ready		
9 Copies of the Service Improvement Guide to give to managers		
10 Consider how to deal with possible objections, and who are likely Champions		



Sample Meeting Notice and Agenda

MEETING
Presentation and Discussion on Service Improvement

All senior managers are required to attend this important meeting on Service Improvement.

Date and time ______________________________

Venue ______________________________

Participants – the top management team (plus other managers?
Some councillors?)

8.30 Welcome – MM/CEO (3 min.)

8.35 Presentation on Service Improvement (20 min.)

8.55 Questions and discussion (40 min.)
- the benefits
- the process
- the role of managers

9.30 SI Champions volunteer (10 min.)

9.40 Action plans (20 min.)

10.00 End

"

GOLDA SAYS

Select two or three service processes that are fairly simple to map and improve, in order to demonstrate service improvement and its benefits for customers.

The Service Improvement Presentation

The Service Improvement PowerPoint presentation on the CD includes

- An outline of what SI is about
- The benefits of a municipality being more customer focussed
- An outline of the SI process phases.

After the presentation, managers need time to ask questions and discuss what you have presented.

"

SEGAMETSI SAYS

Top management should co-define and guide the Service Improvement vision and process.

◎ ***REFERENCE*** *PowerPoint presentation on CD.*

What if…

Some are not interested, but others are ….

Accept this and say that it is normal to start in a couple of departments where managers are keen to try out the process. This will demonstrate to others how the SI process works, and the benefits.

They are generally open to SI, but question the process...

If they like the general idea, but question the proposed process, explain and discuss its logic.

By the end of the meeting all managers should understand the benefits of Service Improvement for citizen-customers and the municipality, be willing to participate in the training process and SI implementation, and understand their role in the Service Improvement process. Some managers should have volunteered to be SI Champions who pilot Service Improvement in their departments. They should also decide on when and how to start the SI process.

“ BEV SAYS

There’s simply no point in embarking on a Service Improvement process without management support and acceptance. Start with those who are keen on the initial piloting of SI in a few areas.

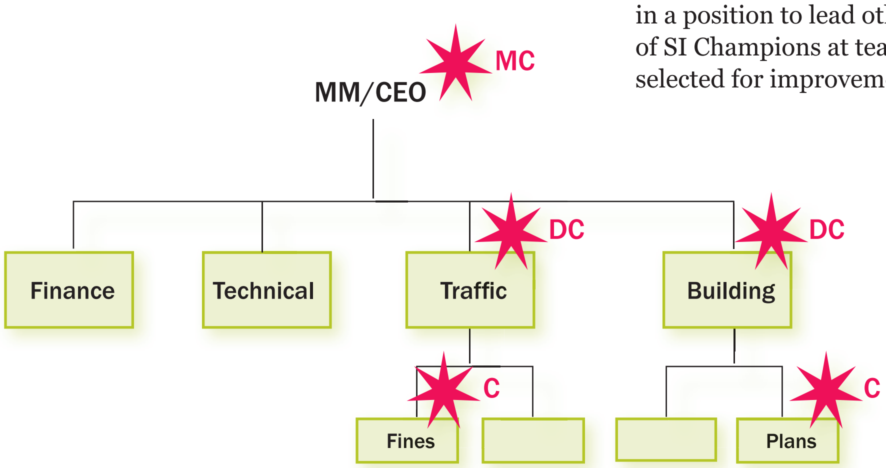
Service Improvement Champions

The role of Champions is to act as internal drivers of the Service Improvement process in their areas, and, ultimately, to become skilled enough to continue driving it once the facilitator has withdrawn.

Finding the right Champions is crucial. First prize is if the MM/CEO is the overall Municipal SI Champion (MC), but it could be someone else on the management team. Then you need a few department heads as Department Champions (DCs) who are keen to try SI in their departments. All champions should volunteer. If they need to be pushed into it, they lack the basic qualification that champions need – Willingness to lead.

It is best if Champions are managers, as they are in a position to lead others. Others can play the role of SI Champions at team level, once processes are selected for improvement.

Champions at different levels



SI Champions are managers who take the lead in supporting SI and who encourage customer service values and good service standards in order to influence staff attitudes. They also need to manage staff performance to achieve agreed standards. Municipal officials should see themselves as professional public servants whose job is to serve the public. *See the Service Improvement Guide chapters 7 and 8 for more on service standards.*

But not all managers want to or are able to do this, so the strategy is to find Champions to lead the way and convince others by showing what is possible. Once they demonstrate Service Improvement in practice, other managers are more likely to get involved.

At the end of Phase 1, there should be sufficient management support to move into the training phase of the SI process.

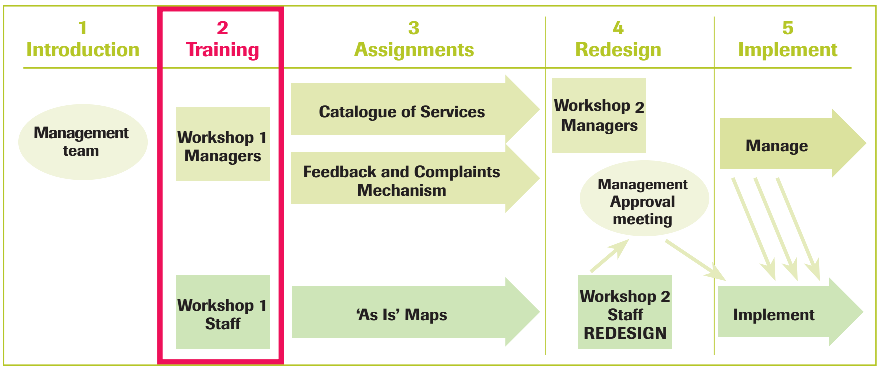
Key qualities of a Champion

- Wants to improve services for citizens
- Positive, enthusiastic and confident
- Influential – liked and respected by others
- A good communicator.

“ A champion is a leader in a particular area of initiative.

REFERENCE *Appendix 2 – General facilitator tips, Appendix 4 – The principles of adult learning and Appendix 5 – Dealing with difficult behaviours.*

PHASE 2
Training managers and staff



Objectives

At the end of this phase, managers and staff will

- understand customer service and the causes of poor service delivery
- be able to identify the inputs and outputs of a process
- see the benefits of cooperation between departments
- know how to map a service process 'As Is'
- Have explored practical ways to improve service delivery.

Managers will be able to draw up a Catalogue of Services for the municipality and develop or improve Feedback and Complaints Mechanisms.

In the second phase, a similar SI training workshop is run first for the management team, and then for staff teams whose service processes have been selected for improvement.

SI training workshop 1 for managers

In some municipalities, councillors may want to be involved. It is up to the MM/CEO to make sure that council approves the process and is kept informed. It is a good idea that the relevant portfolio councillors attend the workshop, or do one on their own. Councillors can be included in the initial meeting with senior managers or have a similar presentation for councillors. Make sure that you get direction on this from the MM/CEO.

BEV SAYS

As community representatives, councillors are at the interface between officials who provide services and citizens who receive them. Communities rightly hold councillors

responsible for service delivery. A key step is a Council resolution supporting Service Improvement. This gives a directive to managers to implement Service Improvement.

SI Training workshop 1 for staff teams

If there are too many staff for a single workshop, divide them into two groups and run two staff workshops, preferably on two consecutive days. In all workshops, participants engage in practical exercises in Service Improvement. Staff are shown how to map their services and complete their 'As Is' maps as an assignment afterwards. This enables participants to involve other colleagues who were not at the workshop.

It is essential that unions and their representatives are also involved in Service Improvement. Again, direction from the MM/CEO is important, but it is a good idea for them to attend the first staff training workshop.

The facilitator and municipal Champion should discuss participation options with the municipal manager (if the MM/CEO is not the municipal SI Champion).



The roles of Facilitator, Municipal SI Champion and Departmental SI Champions

The Municipal SI Champion is the leader of the SI initiative and the key link person on the management team. The Facilitator should work with the municipal Champion in planning, inviting others to participate and monitoring.

Department Champions (DCs) should be managers who select processes in their departments for improvement. Staff responsible for selected processes attend the staff workshop/s.

Inviting participants to the workshops

The Facilitator needs to work with the municipal Champion in inviting the managers, and with DCs to select and invite staff to their first SI workshop/s. Workshop invitations, including the objectives and programmes need to be prepared and sent out to all selected participants with an encouraging covering note. The minimum information to be included in the invitation is

- Date and location of the workshop
- Names of person(s) convening the workshop
- Names of participants
- Purpose and objectives of the workshop
- The programme with times of sessions.

The staff training invitation should also indicate the service areas, teams and processes that have been selected by management for the pilot Service Improvement processes. Invitations could be sent to teams/ team leaders, but it is important that each participant get their own copy.

Invitations Checklist ☑

Item/Action	Who	By	Done ☑	Notes
Schedule of all training workshops discussed and approved by the management team	Management team			
Processes for SI selected and participants identified	Management team			
Invitation timing and content agreed with Champion	Facilitator, Departmental Champion/s			
Participants selected	Facilitator, Departmental Champion/s			
Programme outline prepared	Facilitator			
Invitations sent for first workshops	Facilitator			
Confirmation of attendance received	Manager/s			

Preparing for the training workshops

As the facilitator, you need to be well prepared in order to run well-organised and effective training workshops. You need to

- Understand the whole process and how it works
- Read the SI guide, this facilitator's guide and the Participants Workbook
- Look at the presentations and resources on the CD
- Plan and organise the practical arrangements for the workshop
- Prepare and copy workshop evaluation forms
- Prepare carefully for all exercises
- Plan and facilitate the workshop process.

◎ ***REFERENCE** The Service Improvement Guide, Participant's Workbook and Resource CD.*

To help you, you have this guide, including the exercises for the workshops, the CD with the PowerPoint presentations, plus examples of the exercises, and the Service Improvement Guide which gives an overview.



“ GOLDA SAYS

Management and staff need to understand service processes and how to improve them, and the aeroplane exercise is very useful for this.

Checklist – Workshop preparation ☑

Item/Action	Done ☑	Notes
Overall plan discussed and agreed with Departmental Champion (DC)		
Participants invited and confirmed		
Registration lists are prepared		
Facilitator prepares Welcome (with MMs)		
Detailed programme prepared		
Sessions thought through and prepared		
Exercises practiced		
Prepare the Accounting sheet for the aeroplane exercise		
Materials prepared		
Venue organised		
Equipment organised and in good working order (flip charts, koki pens, masking tape, data projector, screen (if necessary – a white or light coloured wall works fine)		
Catering organised		
Co-facilitator briefed re writing on flipchart (if necessary)		

Service Improvement Workshops 1

PROGRAMME – SERVICE IMPROVEMENT WORKSHOP 1 FOR MANAGERS

To: All Department Managers

A Service Improvement workshop will be held with department managers in the Board Room on the ________ 2012 from 08h30 to 13h30

Facilitator:____

Purpose: For department managers to understand Service Improvement and the SI process and training for managers and staff

AGENDA

Time	Item	Facilitated by
		xxx
8.30	Welcome and Introductions	
8.40	Expectations and Ground rules	
9.00	The role of Service Improvement in Local Government	
9.30	Citizens as customers	
10.00	The stages of Service Improvement	
10.10	TEA	
10.30	Understanding Service Improvement: Service please!	
10.50	Input, Output	
11.10	Silo thinking	
11.30	Mapping and redesign practical role-play: The aeroplane exercise	
12.45	Choosing service processes to improve in departments	
12.55	Developing a Catalogue of Services and Feedback and Complaints Mechanisms	
13.15	Evaluation and closure	
13.30	LUNCH	

All department managers should attend the workshop, as agreed at the management meeting. Please direct any queries regarding the workshop to ____________________ the Service Improvement Facilitator, or myself.

____

Municipal Service Improvement Champion

P.T.O for participants list

…NT WORKSHOP 1 FOR STAFF

…epartment managers in …o 16h10

____

… Improvement and the SI process

Time	Item	Facilitated by
		xxx
	…ernment	
10.30	Understanding Service Improvement: Service please!	
10.50	Input, Output	
11.10	Silo thinking	
11.30	Mapping and redesign practical role-play: The aeroplane exercise	
12.45	Introducing 'As Is' Mapping	
13.15	**LUNCH**	
14.00	'As Is' Mapping of the selected process/s	
16.00	Evaluation and closure	
16.10	End	

All staff should attend the workshop. Please direct any queries regarding the workshop to ______________________________, the Service Improvement Facilitator, or myself.

____

Municipal Service Improvement Champion

P.T.O for participants list

"Don't worry if the workshop programme runs late – late starts are common, and things always take longer than expected. Either shorten some sessions, leave out a session that is not essential, or agree with participants to extend the programme ending time.

SEGAMETSI SAYS

A facilitator must have the ability to cope with uncertainty, as things may not turn out exactly as planned.



Facilitator's detailed programme format
Facilitators should prepare a detailed programme plan for themselves. This example shows just the first two sessions.

Time	Session theme	Process	Minutes	Resources	Who
8.30	Welcome Introduction – overall process • objectives • programme Ground rules Expectations	Talk Show and present PowerPoint slide Buzz groups in pairs Share and write up	5 5 3 2 7	PowerPoint slides Data projector and flip chart	MM/CEO Facilitator (B A) Facilitator (B A) Facilitator (B A)
9.00	Exercise 1 Introduction Do ex. Debrief ex./share learning	Present instructions on flip chart Small groups of 5 Plenum; write key points on flip chart	5 15 10	Participants workbook page XX Flip chart	Facilitator (B A)
9.30	Exercise 2				

Choosing processes to map
At the end of their workshop, managers need to decide which department/s will pilot Service Improvement, and on which process/es (if this has not been decided already).

It is best to choose processes that are not too complex to start with. Staff involved in these processes attend the staff workshops. Don't have more than 20 people in a workshop. If many more need to be involved, run two staff workshops.

Staff Service Improvement Workshop 1

The programme for the Staff Service Improvement workshop is the same as for the management workshop until 12.45, but then changes and continues into the afternoon after lunch, *see page 16*. Just change the invitation details so they apply to the selected staff team/s. In it they learn about Service Improvement and start to map their processes 'As Is'. They complete their 'As Is' maps as an assignment in the workplace, before their second workshop, where they will redesign them.

The Exercises
Most sessions in the first workshops for managers and staff consist of exercises. These are all in the Appendix at the back of this Guide, and in the Participants Workbook. The CD also contains visual examples. Refer to all of these sources when preparing for each exercise. The aeroplane exercise is particularly complex and needs careful preparation.

Checklist – Workshop preparation on the day ☑

Item / Action	Notes
1 Arrive at least 4o minutes early	
2 Check that the venue has been cleaned and that seating is as planned and requested	
3 Confirm the catering arrangements	
4 Set up the laptop and data projector	
5 Test your presentation	
6 Check that the flipchart, kokis, and other equipment are in place and functional	
7 Get the Registration list, Participants workbooks, prepared flip charts and materials for exercises in order	
8 Check that the venue is neat and tidy	
9 Relax and prepare to greet and welcome people as they arrive	

"

ZAKHE SAYS

Staff might feel that they don't have a say. Encourage them and emphasize that "It's your process" and that their proposals for Service Improvement will be presented to management. Staff have a real chance to influence how things are done and be the 'experts' in their own processes.

Training Workshop 1 – Introduction Session

Time: 20 minutes

The MM should welcome the participants and say a few words about the reasons for and importance of Service Improvement, before handing over to the Facilitator. The participants don't need to introduce themselves as municipal staff know each other. (3 minutes)

Present the PowerPoint (PP) slides for the following

- the overall process
- the objectives of the workshop
- the programme outline (7 minutes)

Tell them the workshop is based on an active learning approach in which everyone participates in the practical exercises and discussions. Present the ground-rules on a slide in the PowerPoint presentation.

"

BEV SAYS

As a Facilitator, you may need to help teams with their assignments in the workplace. Tell them you are available if they get stuck or have questions

Managers' Assignments after Workshop 1

The managers' assignments after workshop 1 are to develop a Catalogue of Services for the municipality and to develop or improve the Feedback and Complaints Mechanisms. Two teams can be formed to undertake the two assignments, which they share with the whole team at the second workshop. Introduce and organise the assignments in the last session of the workshop. ◎ ***REFERENCE*** *The Service Improvement Guide, pages 19 and 21.*

The staff assignment after workshop 1 is to complete their 'As Is' map/s. ◎ ***REFERENCE*** *The Service Improvement Guide pade 34.*

Tips for facilitating the workshops

Here are some general guidelines for facilitating the workshops

- Prepare a detailed version of the programme as a guide for yourself
- Take time to prepare well and think through each session and exercise in detail.

- If you are feeling unsure about some of the exercises, chat with another facilitator from the Train the Trainer workshop that you attended, or contact your Association for help.
- Practice-run practical exercises before hand, even if you have done them in the Train the Trainer workshop. An exercise such as the aeroplane exercise is complex and its one thing to be a participant, but another to run it. Make sure you watch the DVD to brush up on some of the pointers
- Remember that interactive processes take time, so allow enough time for discussion after each exercise.
- Don't talk more than necessary, you are not a lecturer or teacher. Focus on facilitating the process in which participants do the talking
- Write key points up on the flipchart, or get your DC to do so, which frees you to focus on facilitating.
- Pre-write instructions for exercises on a PP slide to support your verbal introduction and as reference for participants – they often don't remember all the instructions. Include the amount of time for each part of the exercise.
- Try to keep strictly to times, but it is common to run late – people come late so you start late, and everything takes longer than expected. This is normal, so you will probably need to shorten processes and breaks. Try to get back on track with planned times. If you can't, ask participants if you can end a bit later.

Using a flip chart

A flip chart is very useful to provide a visual summary and record of key points, make presentations, to brainstorm, make diagrams to explain things, and for small groups to record and present their work. Guidelines are

- Write neatly and large enough for people to read from the back of the room, especially the accounting chart used during the aeroplane exercise
- Write in lower case letters – they are easier to read than capitals
- Vary the colours – use black, blue, green and purple for writing, but use red sparingly and for stressing points – it is a very active colour and more difficult to read
- Stick important flipcharts that need to be visible for reference up on the wall, including the whole process overview objectives and programme
- Don't fold new pads of flip chart paper – roll them, and not to tightly – you want them to be neat and flat not all folded and creased or curling up at the bottom
- Use coloured crayons to highlight headings. etc. to make flip charts visually interesting.

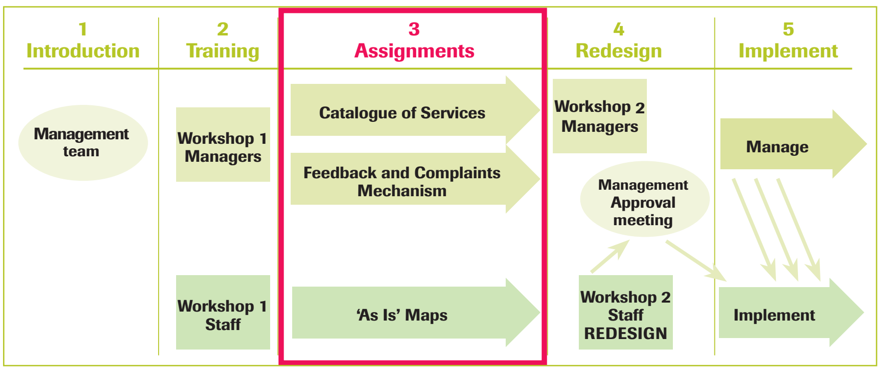
SEGAMETSI SAYS

Always remember that the role of a facilitator is to make things easy for the participants.

Action Planning Template – example

Actions – Developing a Catalogue of Services	Who	Who to involve	By when
1 Establish CoS working group			
2 List municipal services			
3 Develop CoS template			
4 Present draft CoS to management team			
5 Present CoS in management workshop 2			
6 Finalise CoS			
7 Present CoS to Council			
8 Publish CoS			
9 Feedback from customers on CoS			

PHASE 3
Map service process 'As Is'



Objectives
- Catalogue of Services developed by managers
- Feedback and Complaints Mechanisms developed by managers
- Service process/es mapped 'As Is' by staff teams.

Phase 3 involves assignments for staff and managers after their first workshops.

The Staff assignment – mapping processes 'As Is'

The staff assignment of mapping 'As Is' processes should be demonstrated and can be started at the end of the first workshop. It is then completed by staff teams in their work places. However, you can help to facilitate these sessions in each department, if staff teams are not confident to do it on their own. You can also assist the management team or a mandated sub-group with their assignments, if they request assistance.

"

BEV SAYS

Managers should have and read their own copies of the Service Improvement Guide, in order to understand the Service Improvement process and principles.

Demonstrating 'As Is' mapping in the staff workshop

RESOURCES

Large post it note-cards
Flipchart paper
Koki pens

INSTRUCTIONS

1. Ask one group to volunteer to map their process with your help, as a demonstration.
2. Explain the symbols for drawing up a flowchart for the participants. See the Service Improvement Guide page 35.
3. Ask them to share the separate steps or tasks that are performed in their process in sequence, e.g. processing an application.
4. You will need to prompt the group e.g. where to start, what is the next step, etc.
5. You draw the process map on the flipchart as the group gives information, to demonstrate how it is done. Do as much as possible with the group.
6. Refer to the Participant's workbook on page 17 for mapping questions. You can also ask challenging questions (e.g. What do you do if another complaint is made at the same time? etc.)

'As Is' mapping of current service processes should be done on flipcharts, using sticky notes or cards, so you can move things around.

◎ ***REFERENCE*** *The Service Improvement Guide for details on process mapping (page 30) and drawing flowcharts (page 35).*

Process mapping – 'As Is'

In this assignment or facilitated session, staff teams map their service process 'As Is' and describe the current service standards.

If you are facilitating this session with a staff team, you will need about 2 hours. Start by asking them to summarise what they learned about process mapping in the first workshop. If they made a start on their own and them called you in, ask how far they got with their 'As Is' map. Have a look at it and where they got stuck, then help them to continue.

Groups can capture their process maps on computer before they come for the next workshop as part of their assignment. They should submit the 'AS IS' processes to you, and you can make copies for the next workshop. However, presentations of 'As Is' maps should be made using flipcharts or a data projector.

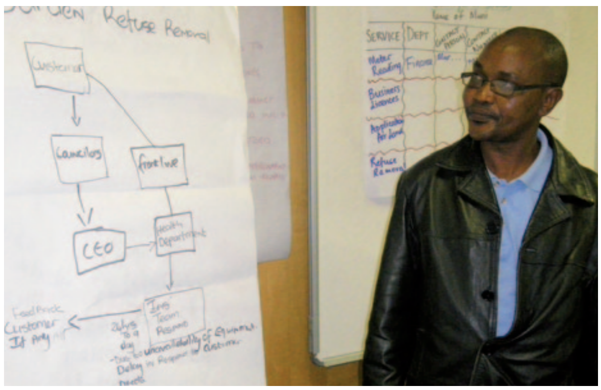
Management team assignments

Objectives

Develop a Catalogue of Services (CoS)
Develop Feedback and Complaints Mechanisms

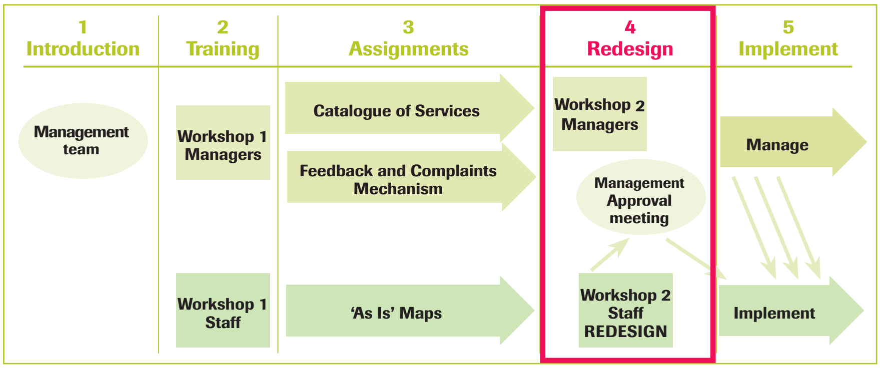
If the municipality already has these, managers should review and improve them, starting with 'As Is' mapping. You may need to assist managers in these assignments. You may also need to assist the management team in drawing up the Catalogue of Services or developing Feedback and Complaints Mechanisms, if they request this.

◎ ***REFERENCE*** *The Service Improvement Guide gives details on developing a CoS on page 22, and Feedback and Complains Mechanisms on page 25. Also see the Participant's Workbook.*





PHASE 4
Redesign service process ‘To Be’



Objectives

- Processes redesigned and new service standards set by staff
- Management approve proposed changes
- Catalogue of Services and Feedback and Complaints Mechanism changes approved.

Actual Service Improvement starts in this phase with staff redesigning streamlined, faster processes that will deliver better services to their customers.

“

ZAKHE SAYS

The time between ‘As Is’ and the ‘To Be’ workshops should not be too long, or there is a risk that momentum is lost.

Staff Redesign Workshop

Time: 5 hours

OBJECTIVES

- staff present their ‘As Is’ process maps
- staff redesign the mapped processes
- describe service standards associated with each redesigned service process.

In their second workshop, staff teams redesign their mapped service processes, creating ‘To Be’ maps. The manager of the department in question should be in this workshop, as redesigned processes may require changing policies and job descriptions, extra resources, developing staff skills, changing the work environment, etc. which all need management approval and support.

RESOURCES
Printed 'As Is' maps, Flipchart paper
Koki pens

You can use the same preparation checklists and detailed workshop planning format as for the first workshop. The general facilitation guidelines are also relevant for the second workshops.

PROGRAMME – STAFF REDESIGN WORKSHOP

Time	Sessions	Facilitated by
8.30	Welcome and Introduction	
8.40	The process so far	
9.00	Presenting 'As Is' Map/s (10 min) Discussion (10 min)	
9.20	How to redesign 'As Is' process	
10.10	T E A	
10.20	Redesign process/es in groups and establish new service standards	
12.00	Present and discuss redesigned process/es and new standards	
12.45	Action Plans	
13.00	Evaluation and closure	
13.15	LUNCH	

INTRODUCTION
Start by welcoming the staff back.
Remind them of the mapping process of their services 'As Is'.

Tell them that in this workshop they will work on redesigning and improving their mapped processes

Show them the workshop programme

PRESENTING 'AS IS' MAP/S
'As Is' maps should be submitted at least a week before the workshop, so you can assist any teams that couldn't do or complete them to do so before this workshop. Teams should then present their 'As Is' maps and current service standards. Ask them to also share any difficulties or challenges they encountered and what they learned about their service process and standards.

After each presentation, facilitate a discussion by the whole group that assesses the process presented. This will help the presenting team with the next step of redesigning their process. Once all the 'As Is' maps have been presented, the next step is to redesign them.

Session – Redesigning service processes

Time: 70 minutes

INSTRUCTIONS
Explain that they are now going to redesign improved versions of their service processes ('To Be' maps), which will result in improved service standards. See the Service Improvement Guide page 18 for more on service standards.

It is now time to analyse the process and identify ways to make it more efficient. This usually involves reducing or combining steps, speeding up processes and improving communication and cooperation between staff and sometimes departments.

Redesign one process map together with everyone, as a demonstration. Put up the 'As Is' map on the wall and work on drafting a new streamlined version on the flipchart. You will probably need to do a rough working draft and then a neater version once the re-designed process is worked out.

Start by asking the team – Why does this process need to be improved? This will give a sense of how it needs to be improved.

"GOLDA SAYS
It is important to understand how customers experience a service, and to improve the process to increase customer satisfaction with the service.

Redesign questions

Ask the following questions as you work on the 'To Be' process map together.

- What steps can be combined?
- What steps can be left out?
- What steps or times between steps can be speeded up?
- Who should perform each step to make the process more cost and time-efficient?
- How can communication be improved to improve the process? (internally and with customers)
- Will multi-skilling of people or teams improve the service?
- Are all documents and forms necessary? Can they be simplified?

'To Be' process maps are drafted on flipcharts and redrawn neatly at the end of the session to present to other teams, and later to management. 'To Be' maps should also be put on computer after the workshop, so they can be easily shared.

Groups now present their 'To Be' maps to other teams, alongside their 'As Is' map, to show the changes and Improvements. Other teams can ask questions for clarification if necessary.

The workshop ends with groups making action plans for completing their 'To Be' maps, so these can be presented to the management team for approval.

Other departments may need to be involved

It is common that a redesign process affects or required changes in a related process, which necessitates involving staff responsible for the affected or related process. Some staff job descriptions may also need to be changed. Help teams to identify related processes and invite relevant staff to participate in the Service Improvement intervention as it unfolds.

Presentation of 'To Be' maps and service standards to managers

A meeting with senior and departmental managers now needs to be organised, to present and seek approval for proposed improved service processes.

After presentation of the 'As Is' and 'To Be' map/s and proposed new service standards, the managers should approve or propose modifications to the 'To Be' map/s and new standards, and approve any resources required to implement the proposed improvements. Departments can then go ahead and implement the redesigned processes that will achieve the new service standards.

REFERENCE *Service Improvement Guide page 35, and see examples on the CD*

Management workshop 2

Time: 3 hours

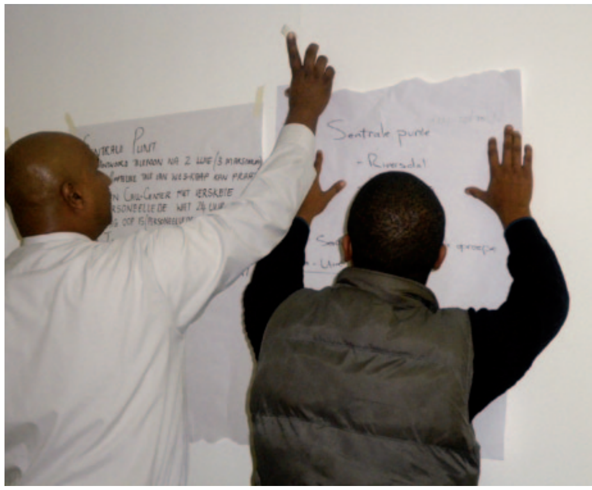
OBJECTIVES

- To present and discuss draft the Catalogue of Services and Feedback and Complaints Mechanisms
- To discuss service implementation issues
- Plan next steps in SI implementation

Programme
Management Workshop 2

Time	Sessions	Facilitated by
8.30	Welcome and Introduction	
8.40	The process so far	
9.00	Present the Catalogue of Services (10 min) • Discussion (20 min) Present Feedback and Complaints Mechanisms (10 min) • Discussion (20 min)	
10.00	T E A	
10.20	Discuss service implementation issues	
11.00	Action plans	
11.30	E N D	

Example of PowerPoint presentation to managers



Feedback to management: Customer care

SUMMARY OF THE INTERVENTION TO DATE:

1. Management Training completed
2. Staff trained in the Customer Care process
3. The "AS IS" maps in 5 customer care sectors completed
   - Water
   - Roads
   - Sanitation
   - Parks
   - Secretaries: customer care
4. The "TO BE" recommendations completed

1

Feedback to management: Customer care

ISSUES IDENTIFIED FOR "AS IS"

- Incoming calls not answered promptly
- Incoming calls are not answered when staff is off
- Technical staff use personal phones to return calls
- No standard operating procedure for answering the phone
- In certain Departments management ignore phones
- No follow up procedure for complaints logged
- Staff are not multi-skilled to stand in for absent colleagues
- Technical staff receive complaints directly from customers

2

Feedback to management: Customer care

"AS IS" BIGGEST ISSUE

- Clients report complaints to individual staff - not the municipality
- The Result is that:
  - Not all complaints are logged
  - Not all complaints are followed up
  - Technical staff are receiving complaints
  - Performance cannot be monitored
  - Number of complaints are not known
  - Lack of accountability
  - Customer frustration

3

Feedback to management: Customer care

PROPOSED SOLUTIONS TO "AS IS" ISSUES

- "3-ring" policy to be introduced
- SOP to be developed for answering the phone
- Technical staff to receive a cell phone allowance/Technical staff not receive complaints directly from the public
- Management to lead by example i.e. answer phones
- Staff to be multi-skilled so as to stand in when colleges are on leave

THE "TO BE" RECOMMENDATIONS

- Create a one central call centre with a 0800 or 0860 number OR
- Four central call centres (one for each Town)

4

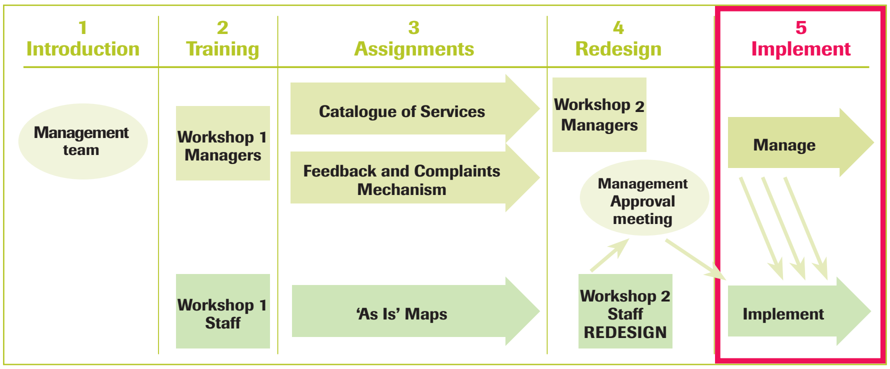
Feedback to management: Customer care

Call Centre

- 24 hour call centre to be established
- All incoming calls are logged
- 3 official languages are used
- Call centre to liaise with supervisors
- Call centre to be made aware of any technical problems in order to communicate to the public
- All public complaints are followed up by the Call Centre
- Performance measures can be introduced

5

PHASE 5
Implementation and monitoring



Objectives

During this phase, management

- support implementation of redesigned service processes proposed by staff
- implement the CoS and Feedback and Complaints Mechanisms they have developed
- monitor the above and report on progress to Council.
- lead and support ongoing Service Improvement awareness and actions.



Experience shows that implementation after a Service Improvement intervention needs to be quick, so as not to lose the enthusiasm and momentum generated by the process.

> **BEV SAYS**
> *Even seemingly small changes can have huge impact.*

Implementing redesigned processes

Department managers and staff now implement their new processes and service standards, and mangers monitor and report on progress, as an ongoing management responsibility. Once the initial services selected have been improved, tackle a few others with other teams.

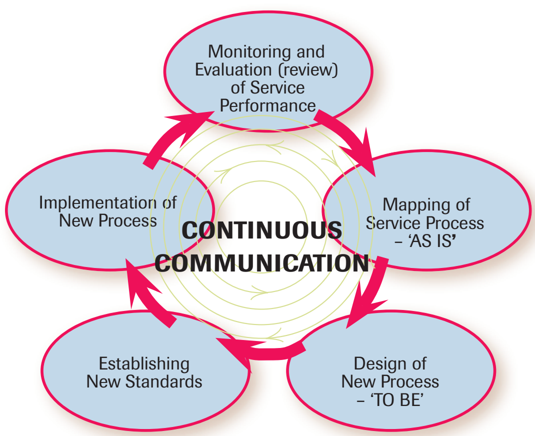
Department managers should lead and guide this process, assisted by the facilitator if necessary.

Further training workshops can be arranged, or sessions in which they map and redesign processes in the department.

Ongoing Service Improvement and monitoring

Service Improvement should be a continuous process. While significant improvements can be achieved through redesigning service processes, further small process improvements are usually possible, and improving staff customer service awareness, attitudes and behaviour is an ongoing process. As the environment and customer expectations change over time, departments should review their service standards and delivery processes regularly.

Managers need to be ongoing SI Champions, and Service Improvement should be integrated into the performance management system, as a Key Performance Area or Indicator for managers, particularly in departments that deliver services directly to citizens. Regular monitoring, review and evaluation of service standards and processes, e.g. quarterly or at least six monthly, should be undertaken in SI-focused departmental meetings. These meetings should become the focal points of an ongoing process focused on Service Improvement.



Service Improvement is an ongoing process

Customer feedback and complaints are a vital input to Service Improvement efforts, and should be considered and acted on, on a daily and weekly basis, and considered in terms of trends, as part of the above management process.

Managers need to keep Service Improvement and standards in the spotlight, and motivate staff regarding customer service on an ongoing basis. The management team together with Council should ensure that Service Improvement remains at the top of the municipal agenda.

> **BEV SAYS**
> *Use the Municipal Managers forum as a platform for sharing your SI process and experience, and for learning from others.*

The role of facilitators in implementation

The facilitator can continue to work with and support managers as SI Champions, until SI is fully integrated into ongoing management practices. When you are no longer needed, celebrate, as this is a sure sign of success! However, you will have learned a great deal and developed significant competencies, that will serve you well in facilitating any other process, or in a management role, if you are not a manager already. If you are, you will probably now be a much better and more developmental manager.

> **ZAKHE SAYS**
> *Communicate, communicate, communicate! Limit one-way communication to the minimum. Close the loop. Feedback and follow-up during the entire process.*

The Service Improvement cycle enables improvement, no matter where the municipality in terms of service development. When there are no service standards, these are developed, and where there are standards, they are improved, using the process redesign approach.

> **BEV SAYS**
> *Use the Municipal Managers Forum as a platform for sharing your Service Improvement process, and for learning from the experiences of other municipalities in undertaking Service Improvement.*

Example of the implementation plan for establishing the Call centre

Action	Tasks	Who?	By when?	Monitoring plan
Multi-skilling of staff	Development of Roster system Workshop on Roster	Customer care officer	Within two weeks	Monthly reporting in management meetings
SOP for incoming calls	Policy to be revised/devel-oped	Human resources	Within 2 months	Monthly reporting in management meetings
Public commu-nication policy	Review current procedure Develop new policy Communicate new policy	Human resources	Within 6 months	Monthly reporting in management meetings
Logging of complaints	Manual or electronic system introduced	Secretary of the department	Within 8 months	Monthly reporting in management meetings
Establish-ment of call centre	Review of municipal call centres Design call centre pro-posal	SI Champion	Within 12 months	Monthly reporting in management meetings

Exercises

for the training workshops for Top Management and Staff

EXERCISE 1: EXPECTATIONS

TIME: 20 min

RESOURCES
- Participants workbook
- Flipchart paper
- Koki-pen
- Prestick
- Slide ..... in TM power point or Slide ..... in Staff power point

OUTCOMES
- Participants are clear on what they expect from the workshop.
- The facilitator understands what participants hope to achieve in the workshop.
- The facilitator addresses unrealistic or incorrect expectations.

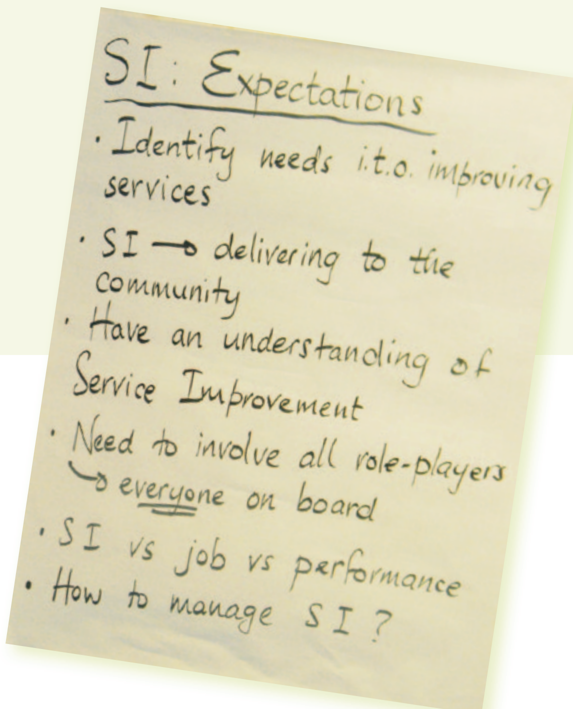
There is more than one option for how to deal with group expectations. It is worth spending time dealing with these, as expectations help the facilitator to develop a sense of who is in the room and what their concerns and needs are. There may also be unrealistic expectations, which can be dealt with straight away.

It is important that the facilitator checks for accuracy and understanding with the participants around the objectives of the workshop. Especially important is the role of the facilitator in putting issues, before the group that members may be reluctant to bring up themselves in the group setting. These may include issues of conflict in the workplace, lack of communication (pertaining to who received the workshop notification or not, or clarifying the reason for a particular department being chosen to start of the selected process for the Service Improvement process). Some staff might feel as if they are being "punished" because they have been selected. It is up to the facilitator to ensure that the positive aspect for being selected is emphasized.

REFER TO
the appendix on Managing Difficult Behaviours

INSTRUCTIONS
➜ Divide the group into smaller groups. It is best to mix the groups at this point.
➜ Ensure that each group has flipchart paper and flipchart pens.
➜ Allow groups 5 minutes to discuss and write up their expectations.
➜ Each group presents their expectations. Ensure that they stick to the points on the flipchart as you do not need a long discussion at this point.

FACILITATOR INPUT
- Summarise the expectations as you see them. It is most likely that you will see similar expectations from the different groups, so you need to summarise them.
- Clarify and explain any expectations that you are not going to address e.g. you are not going to do implementation in this workshop.



EXERCISE 2: SERVICE PLEASE!

TIME 40 minutes
RESOURCES
Participants workbook
Slide ..... in TM PowerPoint
Slide ..... in staff PowerPoint

OUTCOMES

- Participants can describe examples of poor customer service.
- Participants can identify causes of poor service delivery.
- Participants identify with disgruntled customers.

NOTE the facilitator can also use his/her own examples to illustrate the understanding of Service Delivery.

INSTRUCTIONS

➜ Divide the class into small groups of about 6 people in each group. If you have a small group of participants, you can divide them into twos.
➜ Ask the groups to talk about a time when they had bad service. They can talk together as a group, and then choose one of those situations to discuss further.
➜ Think about a time when you experienced bad service delivery?
➜ What do you think caused it?
➜ What are the consequences of these experiences?
➜ Let each group report back. The facilitator can write up on a flipchart:

- Briefly what happened
- The cause of the problem
- The consequences
- Some of the suggested solutions.

➜ Ask: What do you think caused it?
These are some of the likely responses:

- Poorly qualified or unskilled staff.
- Person concerned is not there, at a workshop or on leave.
- Only one person can deal with the particular concern or request.
- Person does not have the authority, needs to refer to a higher authority.
- Correct information is not given right at the beginning – only much later in the process do you find out that e.g. you are applying to the wrong place.
- If there is no instruction or signage customer must just guess – sometimes this involves being in a long queue first to find out you are in the wrong place.
- Lack of information or incorrect information right at the beginning.
- Physical building is inaccessible.
- No intention or policy about how to provide services to citizens with special needs e.g. disabilities.
- The process does not consider how it is for the customer e.g. extreme delays, uncomfortable, being sent from one desk to another.
- Often you need to queue to find out information that could be written up, or someone could come around and help people who don't know where to go, what to do.
- Often you need to have more than one place to queue as the service requires you to go to different points to deal with one service query.

CONSEQUENCES OF THESE EXPERIENCES

For example:

- Customers become disgruntled.
- If it is a business and you have a choice, customer will not come back.
- Customers can become very angry, even violent.

SOLUTIONS

For example:

- Put up clear signage
- Give clear instructions
- Create a one-stop clearance point

BEV SAYS

"By identifying with the customer, using their own experiences of poor service delivery, participants will be able to look at service standards and Service Improvement from a customer perspective.

This exercise facilitates the changing of a mind-set from an inward looking service orientation focused on internal processes to services that are based on citizens needs.

EXAMPLE The facilitator could use the service transformation of petrol stations from only providing petrol in the past to provide other services that customer need, such as food, car wash, etc.

EXERCISE 3: WHY WE ARE DOING Service Improvement IN LOCAL GOVERNMENT?

ALTERNATIVE EXERCISE FOR TOP MANAGEMENT

TIME 20 minutes

RESOURCES

Participant's workbook page 5
Slide ..... in TM PowerPoint

OUTCOMES

- Management will understand the benefits of Service Improvement.
- Management can describe the importance of Service Improvement in their local government.
- Management understand the concept of citizens as customers.

This activity is a plenary discussion. First you are going to explore the concept of why do Service Improvement. Then you are also going to introduce the concept of customers in local government.

INSTRUCTIONS

➜ Ask the group the question:
Why are we doing Service Improvement in local government?

➜ Write their responses on a flipchart. Try and get as many reasons you can. Do not tell the participants; rather encourage them to come up with the reasons themselves.

Some responses might be:

- Need to implement strategic plan, IDP's etc.



- Service standards have been set in strategic planning (e.g. the IDP) which needs to be implemented.
- Trying to address service delivery shortfalls.
- Local government wants to pride themselves to deliver an excellent service. In some areas there is very poor service, or inadequate service or inefficient service.
- We want to improve services to ensure customer service becomes a priority.
- Local government wants to deliver excellent services, which will also encourage people to pay rates and taxes.
- It will make the best use of financial resources, and use resources in the most effective way.
- Most municipalities have limited resources. This impacts on the type of service, or level of service that can be offered. It might not always be the standard that customers want, but should be closing that gap.
- We want to address service delivery concerns so that we do not have strikes or protests from citizens.
- It's our constitutional mandate.
- People more aware of their rights.
- Enhance outcome 9: effective and efficient local government.
- Uplifting standards of the services.
- Earn the trust of the communities.

FACILITATOR INPUT

- Clarify and summarise management responses and conclude on how the Service Improvement process at hand can address some of them.

EXERCISE 4: SEEING CITIZENS AS CUSTOMERS

ALTERNATIVE EXERCISE FOR TOP MANAGEMENT

TIME 15 minutes

RESOURCES

Participant workbook page 6
Slide ..... in TM PowerPoint

OUTCOMES

- Management will understand how to view citizens as customers.
- Management will recognise that customers require communication and efficient service.

INSTRUCTIONS

➜ Ask someone from the group to read the following quote and then ask the group to respond to the questions that follow.

»A customer is the most important visitor
on our premises.
He is not dependent on us.
We are dependent on him.
He is not an interruption in our work –
he is the purpose of it.
We are not doing him a favour by serving him.
He is doing us a favour by giving us
the opportunity to serve him.«

Mahatma Gandhi

➜ Divide the class into small groups of about 6 people in each. If you have a small group of participants, you can divide them into two.

➜ Allow participants to discuss the questions below. One of them can write up a summary of what was discussed on flipchart paper.

1. Is this how you feel about the communities that your Municipality serves?
2. Is this how your staff feels about the communities your Municipality serves?
3. What impact does how the staff views the communities have on how they do their work?
4. Are there any changes you would like to make?
5. How does referring to the people who need the services of your Municipality as 'customers' change how you think about them as the customers?

➜ Allow each group to give feedback.

FACILITATOR'S INPUT

Explain the following concept to participants:
In our work we use the terminology citizens. It is important that we change the mind-set of staff of local government to begin viewing citizens as customers. Give an example of customers in business, but in the case of local government customers usually do not have a choice to go elsewhere for service.

- We need to communicate what local government is doing , so the customer knows.
- Talk to the customer. This could just be breaking down barriers between the citizen and the municipality, but there must be clear lines of communication.
- We also need to work with our service standards. We need to first identify how we are doing now and then agree on achievable targets. A small change can greatly improve the customer experience.
- Also refer to the communication section in the SI guide.





EXERCISE 5: STAGES OF SERVICE IMPROVEMENT

ALTERNATIVE ACTIVITY FOR
TOP MANAGEMENT

NOTE The following activity may be useful when other Management team members or Councillors or Union representatives were not part of the first (buy-in) meeting, attend the workshop. This exercise is used to briefly explain the stages of Service Improvement.

TIME 10 minutes

RESOURCES

Slide ..... in TM PowerPoint

OUTCOMES

- Participants are prepared to take on Service Improvement in their Municipality.
- Participants understand and can describe the Service Improvement process.

FACILITATORS INPUT

- The facilitator explains the phases of the Service Improvement process.
- Refer also to to page 4 in this guide.

PHASE 1: PREPARATION AND PLANNING

This phase includes getting to know the municipality, identifying departments and service processes to work with, identifying Champions, and getting buy-in. There should also be a meeting with management, possibly also councillors and unions to get them involved from the beginning.

PHASE 2: TRAINING OF MANAGEMENT AND STAFF

This phase includes the training workshops we are currently busy with. This is a workshop with Top Management, followed by a workshop with selected staff.

PHASE 3: MAP CURRENT PROCESSES

This phase is part of the training phase. Top Management can map a Feedback and Complaints mechanism and or work on a Catalogue of Services. Staff will map their current processes, which are referred to as ‘As Is’ processes. Here the focus is also on service standards and other issues which affect service delivery.

PHASE 4: REDESIGN

The redesign phase includes another workshop in the municipality with the staff who had mapped their current processes to map what the process should look like in order to meet service standards, be efficient, and to ensure a customer oriented service. This mapping process is referred to as ‘To Be’. Staff will also give feedback to management so that new processes and recommendations can be agreed upon and implemented.

PHASE 5: IMPLEMENTATION AND MONITORING

In this phase, management draws up an implementation plan to carry out the recommended changes. Changes to service standards and processes may vary from small adjustments in routines and procedures, for example to improve internal communication, to larger scale interventions, such as streamlining of service processes which may involve several departments, or setting up of a new customer care mechanism. The monitoring and reporting of the Service Improvement plans need to be included in management meetings.





EXERCISE 6: INPUTS/OUTPUTS

TIME 20 minutes

RESOURCES
Participant's workbook page X
Slide ..... in TM PowerPoint
Slide ..... in TM PowerPoint
Flipchart paper for group work
Koki-pens for group work

OUTCOMES
- Participants are able to describe inputs and outputs and understand their differences.
- Participants will understand the importance of having clear outputs in order to improve service delivery.

INSTRUCTIONS
➜ Check the type of job descriptions used in the municipality to use as additional examples. Familiarise yourself with the job descriptions in the Participant's Workbook.
➜ Divide participants into groups and give each group a flipchart paper and Koki pen.
➜ Show the slide 10 (TM Powe Point) or slide 7 (staff PowerPoint). Read the definition of an input and an output.
➜ Have participants read one of the job descriptions from the participant's workbook . Ask the participants to write down the OUTPUTS for the job description.
➜ Ask participants to display their responses from the flipcharts on the wall and with red Koki-pen, mark the answers.

FACILITATOR INPUT
- Most times participants get it wrong. Usually participants write down the tasks of the job description as outputs.

"

BEV SAYS

In the TM workshop, managers tend to disagree with the definition and will want to engage in a debate around this. Be firm! Tell them that bureaucratic municipalities often want to defend and focus on what IS being done internally as most important. Do make it clear that although this in important and needs to be done, these internal processes are NOT IMPORTANT for the customer.

- Explain to participants that outputs always look at what the customer wants from the municipality. In other words, the output is what you need to deliver to your customers.
- In the 2 job description examples given in the participants manual, the answers are:

1. The client wants a printed plan.
2. Having people trained.

THE OUTPUT is always in the past tense. Do not confuse this with the inputs, which are the resources you need to get to that point, or what do you need to do.

LEARNING POINTS
- The point of this exercise is that the learners understand the difference between input based and output based focussed municipality.
- In the example The printed plan case study the municipality is input focused. Refers to the printed plan example:
- The customer comes to have her/his plan printed. S/He is not interested in the ink that must be replaced or the floors that have to be swept (internal processes). The facilitator can refer to some of the other work in the job description of the printing machine clerk. (see *in participants workbook*). S/he wants his printed plan, the output.
- If you do not have an output, you do not have a customer, because the output is what the customer wants.
- Learners from municipalities can share other experiences if there is time.

EXERCISE 7: SILO THINKING

TIME 20 minutes

RESOURCES
Participants workbook page .....
Slide ..... in TM PowerPoint
Slide ..... in staff PowerPoint

OUTCOMES
- Participants will be able to describe what is meant by silo thinking.
- Participants will understand the negative effects of working in silos in service delivery.
- Participants will be able to describe some possible ways of breaking down silos.

INSTRUCTIONS
➜ Reads out the case study of the Mymuni Municipality from the Participant's Manual page 5 or asks a participant to read it out.
➜ Then ask the groups: What is happening here? Is this the most efficient and effective way of getting this job done?
The above questions can be done in groups or in the plenary.
➜ After the discussion, summarise that each job description describes only a portion of the job – that the work is done by different departments and hence in silos.
➜ Ask what the recommendations for breaking such silos could be.

Some **RECOMMENDATIONS** might include:
- Multi-skill the teams. If each team could complete the whole task – cleaning all the grass and drains etc. it will be much quicker to achieve and more effective.
- If one staff member is away or ill, the job (output) can still be achieved.
- There can be more efficient use of vehicles – the old method required 3 vehicles to go to the same place.
- More efficiency means the output is achieved, it has not cost any staff their jobs, and in fact staff have become better skilled.

Share with the group what Mymuni (case study) did to solve their problem

The following example of the Department of Parks and Forests can illustrate how silos are broken:
- The department used to have grass cutting teams, planting teams etc. took 9 weeks to complete a cycle. Once they changed to a multi-tasking team e.g. each team would have a grass cutter, mower, planter etc led to much more efficiency, staff able to multi-skill and become more skilled, cycle was able to work much more efficiently and quicker.
- Ask the group if they have other examples of Silo thinking. Here are 2 other example that the facilitator can share with the group.

Some additional examples:

Example 1: Applying for a trading license
At the moment customers have to go to three different departments.

Commercial office → Environmental affairs → Accounts

INSTRUCTION
➜ Ask the group:
What are the solutions to this so that the customer does not have to go from place to place?
➜ Possible responses include:
- Make a one-stop shop.
- All front desk people can be trained with the same knowledge.
- Then only exceptions will be dealt with by specialists.
- OR you could get all departments together to go through applications
- Create multi-skilled work teams and multi functional teams e.g. (one from each section).
- Reorganise the way in which different departments are working.
- Look at aspects of time, unnecessary detours, where delays happen.
- Example front office, back office. Front office deals with everything to do with the customer and they have a very good knowledge base.
- Introduce document management system with timelines.

Example 2: Retail business (Business example)
For example if you go to Pick and Pay, you can do everything at the till – pay for goods, draw money,

buy your airtime, pay your telephone account. They do not send you from till to till to do each different function.

FACILITATOR INPUT

➜ Explain that in this exercise we have improved the understanding of the consequences of working in silos, which is also part of the culture of an input based organisation. In the municipality, silo thinking will need to be challenged for Service Improvement to take place.

➜ If there is time you can ask the participants if they have more experiences or examples silo thinking in their own departments or in the municipality.





EXERCISE 8: PROCESS MANAGEMENT – THE AEROPLANE EXERCISE

TIME 45 minutes

RESOURCES

Participant's Workbook
Recycled paper (for making the aeroplane)
2 koki pens (for "spray painting" the aeroplane)
2 blank sheets of paper (1 sheet for the supplier and 1 sheet for the buyer/customer.)
2 pens (1 each for the buyer and the seller)
A stopwatch or cell phone with stopwatch

OUTCOMES

At the end of this discussion participants will be able to:

- Understand the Service Improvement process.
- Describe practical methods to improve service delivery.
- Understand that increased resources may not result in improved service delivery.
- Understand that increased/decreased of staff does not impact service delivery.
- Understand the impact of effective communication in work processes between departments.
- Appreciate the importance of multi-skilling staff
- Unpack and evaluate the change of management style in the workplace.

NOTE to facilitator:
You will be acting out 3 roles in this simulation.

1. **Facilitator** role (yourself as the facilitator)
2. The **Trainer** role
3. The **Managing Director** (MD) role of the aeroplane company

INSTRUCTIONS

➜ Put up the Expense chart on the wall. Also put up the flipcharts with the prepared current and redesigned process written up, but keep these closed.

Facilitator role

The facilitator explains that this is a simulation exercise. For the simulation we will need volunteers who will manufac-

ture aeroplanes for the new company they have come to work for. Ask for 8 volunteers from the group. They are going to build aeroplanes, and the production line they are starting must be effective within a week (three minutes).



The facilitator explains that he or she is the **Managing Director** (MD) of an aircraft manufacturing company.
Give the 8 volunteers the following roles:
6 staff members for the production line
1 supplier
1 customer
1 timekeeper

The production line

➜ The facilitator asks the staff to sit alongside each other in a row at a long table (the production line).

➜ The table must be completely empty, except for 2 koki pens for staff member number 6. The supplier sits at one end next to the 1st staff member, while the customer sits at the other end, next to staff member number 6 (the one with the koki-pens).

➜ The supplier is given a stack of recycled paper, a blank sheet and a pen and the customer is given a blank sheet of paper and a pen.

➜ The facilitator explains to the 6 staff members that they have resigned from their jobs in the municipality and have come to work in an aeroplane manufacturing company. They will be paid better salaries than they received before and will be trained in the manufacturing process of building aeroplanes. You can give the company a name e.g. Guava airlines.

➜ The rest of the participants will be the shareholders.

➜ Tell the staff that it is important for them to build and sell as many aeroplanes as they can as the shareholders will be coming at the end of each week to see how much profit they have made. Stress that the shareholders are only interested in the profits of the company.

➜ The facilitator also explains the following ground rules:

1. The company must make a profit after one week (three minutes).
   If the group is particularly slow, you can increase the week time to 3 and a half minutes.
2. The staff will first go on training before they start at the company.

➜ Explain the expense sheet. *(See example of the expense sheet).*

Costs will be calculated as follows:
- The supplier provides materials at 1million per sheet that is: every blank sheet that is purchased costs 1 million.
- Every completed product will be sold for 2 million that is: the selling price is 2m per plane.
- Staff salaries of 3 million must be paid weekly
- The salaries cost 3 million for every week.

In order for the company to make a profit three criteria will apply for the manufacturing of the aeroplanes. These are:
- The income must be more than expenses.
- The aircraft must look the same as the original design.
- The aircraft must be able to fly.

Shareholders:

The facilitator explains that the shareholders needs to observe what is happening, and write up their observations by looking at the following:
- What they observe?
- Where are the problems?

It is important to keep relating to the rest of the group (the shareholders), and reflecting with them, so that they do not lose interest or concentration during this activity.

Training in building the aeroplane:

The facilitator tells the 6 new staff members that they will first have to go on training.



The Trainer role

As the 'trainer' the facilitator welcome the staff to the training workshop of HOW TO BUILD AEROPLANES. Show each person in the production line how to fold their section of the aeroplane and what the finished product looks like. Tell them that it is important that they all know their jobs well i.e. how to their fold of the aeroplane.
NOTE the step by step photos of this are in Appendix 3 of this Facilitator Guide.

1. Volunteer 1 is **the supplier**. He/she has recycled paper, pen and notepad. The supplier needs to record every piece of material (metal for the aeroplane) that is sold to the company
2. The Supplier gives the **staff member 1** next to him/her a piece of paper to fold, and he/she should do the **1st fold.**
3. Pass on to **staff member number 2** and show them the **second fold.**
4. Pass on to **staff member number 3** and show them the **third fold.**
5. Pass on to **staff member number 4** and show them the **fourth fold.**
6. Pass on to **staff member number 5** and show them the **tear for the tail**.
7. Pass on to **staff member number 6** and show how to **spray paint with a koki**.
8. Pass on to the **customer** who will need a notepad and a pen. The customer tests the product to see if the aeroplane flies. Then he or she marks off on a sheet how many completed aeroplanes they have bought.

Remember to stress that the only requirement for the customer is that the plane can fly.

Ask if the staff if they all know how to do their work (their fold) and let them have a practice round. Thank them for their participation in the training and tell them they are going back to the company to start their work.

Facilitator role



The facilitator explains that the first session will be allocated 3 minutes, the 3 minutes represents one week.

Allocate a time keeper from the rest of the shareholder group. He/she will need to tell you when 3 minutes is up. For the last week the time keeper needs to warn you at 2 ½ minutes.

MD role



The MD welcomes the team back from training. He/she enquires how the training was and whether they all know what to do.

As the simulation starts the Manger's style of management is described below:

Week 1: Work Faster!

Check with the time keeper and tell the staff to start.

MD role



As the manager the facilitator is authoritative, and focuses on *working faster*. You can be harsh and insulting, tell the staff to work faster, stop talking, stop being lazy.

Inform them when 1 minute goes by: e.g. say Monday is nearly over, work faster. Keep walking up and down the table, talking all the time. You have to keep the pressure up, tell them hurry up, it is taking too long, need to work faster, etc. Refer to the backlogs and bottlenecks and insult them more. Keep up the dialogue and the pressure while they are trying to fold the planes.

When the **timekeeper** indicates the 3 minutes are over you stop the process. The first week has passed.

Go to the expense chart on the wall and write up the costs and planes sold.

- Ask the supplier how many pieces of metal (recycled sheets of paper) were sold. Write up on the chart.
- Ask customers how many planes were sold.
- Add the staff salaries to the metal (recycled paper sheets) sold.
- Subtract the total expenditure from the total income.



EXAMPLE

Week	No of aeroplanes bought by the customer	Total income (no. of planes x 2m)	Total cost of metal sheets sold (no. of recycled paper sheets x 1m each)	Staff salary @ 3m per week	Total expenditure (Cost of metal sheets + staff salary)	Profit / Loss (Income – Expenditure)
1	11	11 x 2m = 22m	46 x 1m = 46m	3m	46m + 3m = 49m	22m – 49m =- 27m
2						
3						
4						

DEBRIEF
In this round of production there will be a lot of paper used and not many sales. The production is running at a loss. Ask the shareholders what they think?

The MD says that the team now will have to **work harder.**

Week 2: Work harder!
Check with the time keeper and tell the staff to start.

MD role
Ask the Supplier to give the first worker 3 sheets every time and keep track of how metal sheets are being sold. Tell the customer to be more critical and choosy about what they will buy.



The staff needs to work on 3 sheets to do the work more quickly. Again you should be authoritative, apply constant pressure and focus on working harder. You can be harsh and insulting, tell the staff to work harder, stop being lazy.

Stop any talking, keeps on the pressure, and makes sure that the production line staff just focuses on the planes. Push the first two in particular to fold faster, resulting in bottle necks. Tell them there will be no tea breaks, no increases.

You can have a sense of humour while you do this with the group, but keep the pressure even higher now.

The timekeeper will call out when 3 minutes is up.

Go to the expense chart on the wall and write up the costs and planes sold.

- Ask the supplier how many pieces of metal (recycled sheets of paper) were sold. Write up on the chart.
- Ask customers how many planes were sold.
- Add the staff salaries to the metal (recycled paper sheets) sold.
- Subtract the total expenditure from the total income.

This will be more than the 1st time. Write this up on the expense chart in the 2nd week column.

DEBRIEF
Ask the customer how many aeroplanes were bought and what the quality was like. The quality will be poorer and therefore there are not many sold; the loss should be greater.
Ask the shareholders what they think.

Facilitator role



The facilitator should then say: "This is not working so we are going to introduce some changes. The MD needs to go on a communication course so as to improve communication in the production line. Let's try and put in a communication system in place.

DEBRIEF

Ask the shareholders what they think. Ask the staff what they think. Tell them if they keep it up, the shareholders might think of giving them an increase in the following month. Continue to encourage the staff.

Week 3: Communication please!

MD role



You can say: "We are going to introduce communication into the workflow. You are able to tap as soon as you are done. No talking – just a loud tap on the table. You may not pass on until the person to your left has tapped".

Allow time for a short practice and then keep them going. The customer also needs to tap, demanding his plane.

Once the time-keeper indicates the time to start, your management style becomes less critical, stops shouting at them, being supportive.

Encourage the staff to look at the quality of the aeroplanes and watch that the communication flow (tapping) is working.

The timekeeper will call out when 3 minutes is up.

Go to the expense chart on the wall and write up the costs and planes sold.

- Ask the supplier how many pieces of metal (recycled sheets of paper) were sold. Write up on the chart.
- Ask customers how many planes were sold.
- Add the staff salaries to the metal (recycled paper sheets) sold.
- Subtract the total expenditure from the total income.

Write this up on the expense chart in the 3rd week column.

Write up the figures – The profit should break even or be much less than the previous 2 weeks or might even show a slight profit.

DEBRIEF

Ask the shareholders what they think.

- Look at wastage – this will be much improved.
- Notice there is now a profit, just by adding communication.
- Now explain that by bringing in communication there are fewer bottlenecks.

Facilitator role



As the facilitator, ask "How you think you can increase the profit? If not offered from the group suggest; "What about multi-skilling?"
Then allow volunteers to teach each other on either side what they do.
Explain that the volunteers need to help each other and will also retain tapping system.

Week 4: Multi-skilling and Managing the process

Check with the time keeper and tell the staff to start.

MD role



Manage the process – move from person to person, help move the planes down the line when people are ready. Let the first 2 people teach each other the folds that they are making. Move down the line and let everyone learn the folds from the person next to them. The MD supervises in an encouraging way, no shouting this time and assists where he/she can, helping the process along. Give compliments, talk about increases, housing allowances, bonuses.

➜ Ask timekeeper to give them a warning at halfway and when there are 45 seconds left.

➜ Go to the expense chart on the wall and write up the costs and planes sold.

- Ask the supplier how many pieces of metal (recycled sheets of paper) were sold. Write up on the chart.
- Ask customers how many planes were sold.
- Add the staff salaries to the metal (recycled paper sheets) sold.
- Subtract the total expenditure from the total income.

You can see the profit and loss as a result of interventions and different ways of working. Then facilitate a session that examines the problems with the system.

DEBRIEF the volunteers:

- Ask them how they felt during the first two rounds of the manufacturing process.
- Ask them how they felt when communication was introduced and how it felt when they were multi-skilled. Ask them how they felt about the MD's management style.
- Ask the supplier how he/she felt during the process.
- Ask the customer how he she felt during the process.
- Thank them for participating in the simulation, and for being such good staff members. Apologise for being a bad MD and make sure that they understand that you were playing a role and not being mean to them.

INSTRUCTION FOR DISCUSSION

Lead the discussion using the questions and ideas below as a guide.

➜ 1. What were the problems when we first started?

- Bottlenecks were created/work piling up.
- Low staff morale.
- No team work.
- Manager shouting, no communication skills.

➜ 2. How did you feel during this week?

➜ 3. What did we change to the process and how did it affect the process?

- Introduced communication through tapping, which improved team morale.
- Bottlenecks were eliminated.
- Profit.
- Introduced multi skilling which led to team work, i.e. helping each other; reduced pile ups.
- Introduced facilitation, the manager was no longer managing the people but rather managing the process.
- Increased Profit.

➜ 4. What can we learn?

- A manager need not be pushy but rather manage the process.
- Additional resources do not result in better results.
- No one lost their jobs.
- More people were not employed.
- Greater teamwork.
- People learnt extra skills.

➜ 5. Ask the buyer about the quality of the aeroplanes.

- Remember if the audience do not raise some of the learning you need to facilitate the session so that the learnings form this exercise in enforced.

LEARNING POINTS

- **Ask**: what did you learn from this activity?
- **Summarise** what took place in the activity. This helps us to see that how we manage the process can improve service delivery. We can see that a new organisational culture in the municipality is required as well as a new management style.

Answers from the group could include:

- Creating multi skilled teams improved profits.
- Duplication of tasks.
- Teamwork.
- No extra human or financial resources were. needed.
- Constant improvement of systems.
- Working people harder or faster does not necessarily give you good results.
- You can identify where there are bottlenecks
- You can identify waste when people were not multi-skilled.
- Communication helps the process to work.
- Each person was only focussing on their own part of the process and not seeing the whole picture.
- When the manager got involved in the process then it helped – you can then shift things and deal with what is happening. Therefore it is important that the managers get part of the process.
- Multi-skilling made the process more effective
- Adding people or taking people away is not what helped – it is the process that needed to be dealt with.
- Once process has been dealt with then could properly evaluate if you need more people or IT system etc.
- Will be able to identify if there are additional training needs.

To **summarise** the facilitator can comment that in this exercise:

- You can work with the human resources that you have i.e. more people will not necessarily help improve the process.
- Finally you are working smarter and more efficiently – but you have exactly the same number of people.
- Nobody lost their jobs they just had extra training.
- Work with decision makers so that they can see the value of process improvement.
- If you need to involve unions this should be done all the way in the process.
- Some people resist change and the extra work of multiskilling? This is a real concern, for some it even results in absenteeism or other problems. However if you do it in the correct way, involving everyone in the process then there will be buy in from most people.

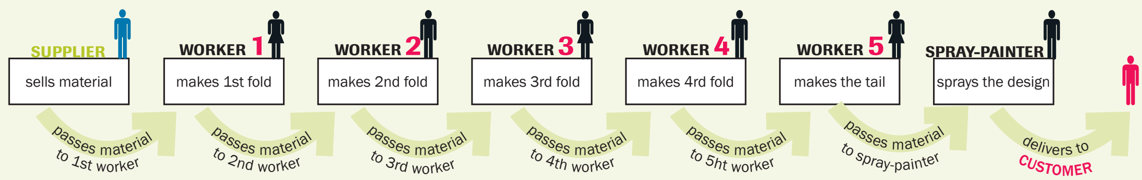
MAPPING THE PROCESS

The facilitator should say that we have seen from this activity there are certain steps that were followed. Let's see what happened in the process during the 1st week. The facilitator maps the 1st 2 steps in the aeroplane exercise on the fllip chart. H/she allows the participants to work in groups to complete the exercise.

➜ Ask the question: Are service standards important in this process?

You can use the extra exercise on Service Standards in the participants workbook Exercise D. E.g. quality, speed, cost.

BEFORE REDESIGN



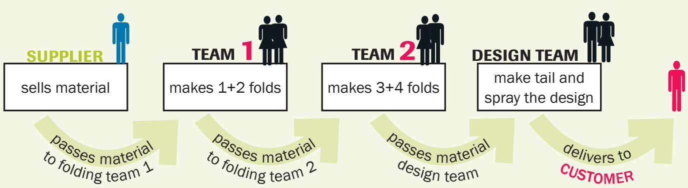
REDESIGN THE PROCESS 'TO BE'

Once the participants have completed the mapped 'As Is' process (1st week of aeroplane exercise), they present their maps to the rest of the participants. At the end of the presentation, the facilitator points out the differences in how each group mapped the process. Groups may have mapped differently. It is important to highlight that differences in mapping is ok, as long as the steps in the mapping process has been covered.

The facilitator asks the participants to re-design the process. In other words: they map what happened by the 4th week in the aeroplane exercise. Again groups may present different mapped processes, and the facilitator makes sure that all the steps were covered.

Explain what Service Standards are. You can use the extra exercise on Service Standards in the participants workbook (Exercise D. E.g. quality, speed, cost.) Ask the question: Are service standards important in this process (aeroplane exercise)? Which service standards do you think are important in this process?

AFTER REDESIGN





EXERCISE 9: CATALOGUE OF SERVICES

REFER to the communication section of the Service Improvement guide.

TIME 45 minutes

RESOURCES
Participants workbook page .....
Slide ......
Flipchart paper
Koki-pens

OUTCOMES
- Participants will be able to Compile a Catalogue of Services.
- Participants can describe the benefits of communicating a catalogue of services to their customers.

NOTE TO FACILITATOR
Depending on the group you are working with, the time you have available, and the amount of support that the participants need, you can decide how long to spend on this and also whether it is something that can be done for homework, or in a later session. This session could take much longer if you have the time to spend.

INSTRUCTIONS
➜ Ask participants the following:
➜ How do your customers know what services the municipality offers?
➜ Where can they go to find out?
➜ Who can they talk to, to find out?
➜ How can your municipality make it easier for them to find out?

EXPLAIN that a Catalogue of the services is often helpful for the customer to access information readily and easily about municipal services. It can be in the form of a simple yet efficient booklet that contains only the services that are frequently used by customers in the municipality. The Catalogue of Services can also become a branding or marketing tool for the municipality. The Catalogue thus becomes a transparent "selling" agent that shows customers exactly what value they are receiving for their money.

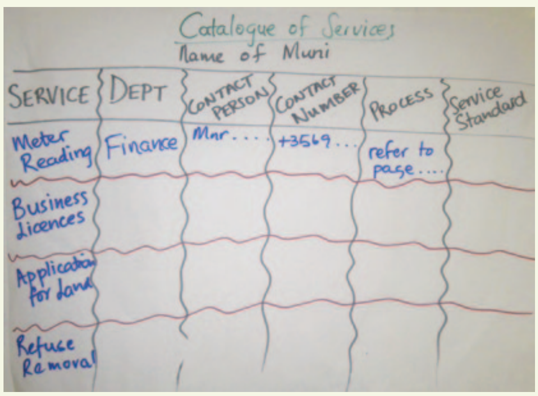
REFER to page 25 in the communication section of the SI manual for another example of a CoS.

"

BEV SAYS:
The 1st draft can be done in plain black and white and typed on ordinary office paper. It is worthwhile to get the catalogue started and making it public will show immediate benefits. The next time you might want to have a glossy cover and after a year or two have a glossy-paged catalogue.

➜ Write up on a flipchart what the catalogue of services could look like. For example across the top of the flipchart write:

Service	Department	Documents required	Contact person and numbers	Process map: Refer to	Service Standard



An example of a prepared flipchart.

HELP the group to identify some of the departments which should be listed and complete one example.

REMIND the participants that service standards refer to the level and quality of the service. This is usually the speed of service, cost of service, and quality e.g. water should be drinkable.

The layout of the brochure may contain the following information.

A cover page:
The logo, photo of the municipality; period of validity for the Catalogue (like the telephone directory), the slogan of the municipality (This City works for you: City of Cape Town). If the municipality has a call centre/or switchboard this number can be listed right at the beginning of the catalogue.

Inside cover page:
A forward from the Mayor or Municipal Manager or CEO, with a photo
or
The vision, mission values of the municipality. This could however still be added on the back cover of the Catalogue of Services.

The 2nd page: recommended yet optional
A short process should be mapped or described in which the caller/customer will know what happens when his/her call is taken. See the example below.



An Index page: (Sort Services reflected in column below into alphabetical order) please refer to the communication section in the Service Improvement guide.

ASK managers to complete a Catalogue of Services as homework, and this will be discussed at the 'As Is' workshop in the next phase of SI.

EXERCISE 10: FEEDBACK AND COMPLAINTS MECHANISM

TIME 60 minutes

RESOURCES
Participants workbook page .....
Slide .....
Flipchart paper
Koki-pens

OUTCOMES
- Participants will understand why it is important to have a feedback and complaints mechanism.
- Participants will complete a Feedback and Complaints process map for a defined service.

NOTE to facilitator:
Depending on the group you are working with, the time you have available, and the amount of support the participants need, you can decide how long to spend on this exercise and whether it is something that can be done for homework, or in a later session. This section can be run as a workshop on its own, or together with the Catalogue of Services. You will have to include or exclude from the material below depending on how much time you allocate to this, and whether it becomes an assignment.

REFER to the SI guide here for further information.

INSTRUCTIONS
Ask the group: What should we focus our improvements on?

RESPONSES might include:
- Product/services quality.
- The way services are provided.
- Organisational personal – knowledge and behaviour.
- Organisational image.
- Cost of the services.
- Then ask the group: Who is your customer?
- Determine level of customer satisfaction with each one of them (customer feedback).
- Discuss briefly how the use results of customer feedback can be used to improve your services.

FACILITATOR INPUT

Discuss the following points with the group:

- How the Municipality measures its performance.
- Improve processes with high importance and low level of customer satisfaction.
- After improving most important segments of processes you can focus on less important ones.
- Maintain constant communication with all stakeholders on what is being done, why and what results are expected and when.
- The goal is to exceed customer expectation.
- To do so we must know what the expectations of the customers are.
- This means that reliable information is needed on what services customers want from the municipality.
- At the same time, the municipality must ensure that customers know how much their municipality does for them.
- In this way customers start having a more positive engagement with their municipality and can identify potential improvements within processes that would ensure efficient delivery of services.
- Let the participants work in groups to complete the feedback and complaints mechanism task on page 13 in the Participant's workbook.

DISCUSSION

Facilitate a discussion around the following questions based on the exercise:

- From the always column that was ticked, do you think those methods have been very successful?
- Why? Why not?
- Which of the other methods (above) do you think can also assist in getting more feedback from the customers?
- What can you do to get these implemented into the system?

NOTE The word "complaint" signifies both "complaint" and "recommendation".

FACILITATOR INPUT

Discuss the following with the group. Go into as much detail as you feel is appropriate for your group.

1. METHODS OF COMPLAINTS

- Complaint written on a standard form: This is the most efficient way to collect complaints. The complaint form could have information; frequency of appeal, description of a complaint, complaint officer contact, etc. and the complaint then can be processed through an electronic document tracking system.
- Comments box is a very frequently used method to collect customers' opinions in municipalities. In a visible place, so all customers can have a free access, with paper and pen and have some peace while writing. The box has to be locked and only an authorized person should open it. The time of the opening should also be predefined, and the opening and the contents of the box should be recorded in the opening log and then transferred to the complaint form. Same box can be used for the customers' opinion survey. In that case the appropriate forms must be available to customers.
- The Complaint Book is also a very well used method in municipalities. The rules are same as for the comments box. It is very important that pages are numbered – so that in the case some negative comments are written no one can rip out the whole page. The contents should be checked on regular bases and all complaints recorded in the log and transferred to the complaint form.
- Verbal complaints (personally or by phone) are often used by customers but municipal authorities very seldom have a defined method of noting it. Whenever it is possible, municipal employee – complaint officer should write down verbal complaints in the complaint form. Once it is written verbal complaint is treated same as a written complaint.
- A letter can be also used as a form of complaint. If all information needed to fill out the complaint form is available, the procedure can start immediately, and if some information is missing customer can be asked to provide them. In case that applicant is anonymous procedure can be started based on available information.
- E-mails, SMS can also be used for complaints and the same rules apply here as for the letters. It would be good if one e-mail address is available only for complaints, and if it is posted in a

visible spot in the one-stop-shop (e.g. bulletin board), or at the municipal web site, if it exists. All complaints received should be recorded and transferred to the complaints form.

2. RESPONDING TO CUSTOMERS' NEEDS

INSTRUCTIONS

In plenary, as the following:

➜ How do you respond to your customers needs?

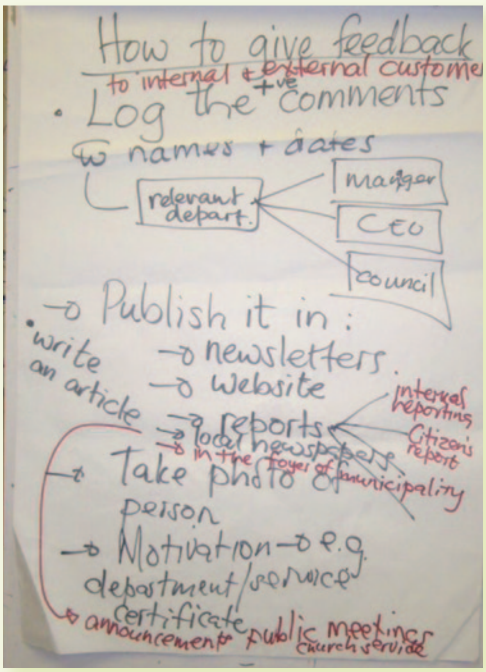
➜ Write the responses on the flipchart.

➜ Some possible responses:

- Listen to them
- Ask questions
- Hold public meetings
- Talk to them one on one
- Fill in a questionnaire
- Interview them
- Other?

➜ Continue asking:

How would you give feedback to your internal and external customers?



Possible answers:

- Log the complaint with the relevant department
- Write down the citizen's name, complaint and the date. Tell citizen when you will get back to them, e.g. we'll send you an SMS within 7 days with our response.

MAPPING A PROCESS FOR FEEDBACK AND COMPLAINTS

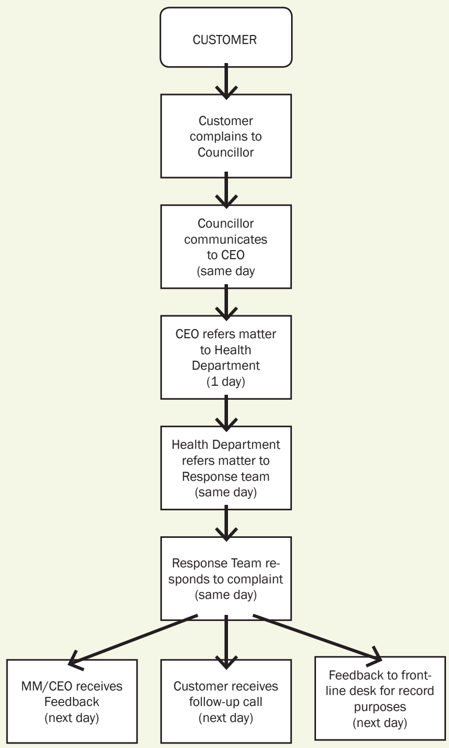
INSTRUCTIONS

➜ Divide participants in smaller groups to map a feedback and complaints mechanism needed for their municipality.

NOTE

If you are running this as a workshop on its own, divide the group into small groups and let each group develop a feedback and complaints policy for your municipality that can be easily implemented. Map an 'As Is' process and then redesign ('To Be') and add Service Standards.

Example of Management mapping
Dealing with a customer complaint for garden refuse removal



List of Appendices

Appendix 1

EXAMPLE OF A SERVICE IMPROVEMENT (SI) INVITATION AND WORKSHOP OUTLINE

To: Municipal Managers
HR department
Corporate Services department
CFO department
IDP
Finance department
Skills Development Department
Portfolio Councillors

A Service Improvement workshop will be held with top management at the Mymuni Board Room on the **2nd November 2012 from 08h30 to 13h30**
Facilitator: Mrs XXX

PURPOSE

The workshop is aimed at top managers to have an understanding of the importance for their municipality to undertake Service Improvement and what this would mean for the municipal staff.

AGENDA

Time	Item	Facilitated by
08.30	Welcome and Introductions	Mr/s Xxx
08.40	Expectations and Ground-rules	Mr/s Xxx
09.00	The role of Service Improvement in Local Government	Mr/s Xxx
09.30	Citizens as customers	Mr/s Xxx
10.00	The stages of Service Improvement	Mr/s Xxx
10.10	T E A	
10.30	Understanding Service Improvement: Service please!	Mr/s Xxx
10.50	Input, Output	Mr/s Xxx
11.10	Silo thinking	Mr/s Xxx
11.30	Mapping and re-design: practical role-play: aeroplane exercise	Mr/s Xxx
12.45	Choosing a process (departmental for training of staff)	Mr/s Xxx
12.55	Choosing a management process	Mr/s Xxx
13.15	Evaluation and closure	Mr/s Xxx
13.30	L U N C H	

As agreed on the 20th October 2012 it is important to note that everyone should attend the workshop. Please direct any queries with regard to the workshop to Mrs YY by emailing at: yy@abc.co.za

Kind thanks
Mrs XXX
Service Improvement Facilitator

Appendix 2
GENERAL FACILITATOR TIPS

Training and facilitation in municipalities
Training is needed to increase the knowledge and skill for the development of new and experienced employees as well the municipality, departments or offices they work in. The employee works to achieve the objectives of the municipality, however is likely to need training to acquire the necessary skills to do so, as well as to develop and grow.

It is therefore important to train new and experienced employees for the following reasons:
1. The employees gain direction in their job.
2. The employee is provided with information to become more productive.
3. Loyalty and morale of the employee is raised.
4. Employees reach desired performance levels in a relatively short period of time.
5. The quantity and quality of output is reduced and costs are reduced.
6. Job satisfaction is promoted while absenteeism and labour turnover is reduced.
7. Technological developments are essential for new and experienced employees.

The benefits of training
These include the following:
1. It reduces the time it takes employees to reach an acceptable level of performance.
2. It improves job performance e.g. less waste, reduces accidents and has fewer customer complaints.
3. The right attitudes are formed, because the municipality shows its concern for the welfare of their staff, which in turn increases morale and loyalty.
4. It satisfies own goals and personal needs of the employees while achieving those of the municipality which increases job security and creates promotion opportunities.
5. It raises the level of performance due to increased productivity.
6. Less supervision is needed because employees know exactly what to do and this saves time.
7. Better recruitment and selection can serve as incentives to employees.
8. Manpower needs are met because employees are more productive.

Understanding facilitation
The facilitator
A facilitator is someone who uses their knowledge of group processes to formulate and deliver the needed structure for meeting interactions to be effective. The facilitator focuses on effective processes workshop allowing the participants to focus on the content or the substance of their work together.

Facilitators can serve many different roles including developmental intervention in meetings, running workshops, conducting experience-based training and guiding team development.

Other roles exist for the facilitator besides facilitation. These include scribing, recording, timekeeping and leading discussions. The Facilitator's role is unique, although no more or less important, since their primary focus is on the workshop processes.

Facilitation can involve many different levels of knowledge and skill, can include work on all kinds of problems and challenges, can assist the group in fulfilling its desire, or can include pushing participants to new levels of understanding. Most importantly, however, facilitation

includes both an ability to recognize when effective workshop processes are needed and an ability to provide these processes.

A facilitator empowers participants/learners to learn in an experiential group.

Stages of development as a facilitator
A facilitator moves through different stages of development.

Stage 1: The beginner facilitator:
In this stage the facilitator learns the basics of facilitation. The theory of facilitation, various facilitation techniques and skills are taught (knowledge based). The learner is allowed to be creative in exploring various facilitation practices theoretically.

Stage 2: The learner facilitator:
Here the learner facilitator observes experienced facilitators in practice. The learner facilitator also starts to practice the theory learnt in stage 1 in a safe environment and feedback is given in a development manner by the experienced facilitator. The learner sticks to a planned program or agenda and feels uncomfortable to deviate from it.

Stage 3: The advanced facilitator:
The facilitator has enough experience in group facilitation, working with difficult participants or learners and is more flexible around a planned or fixed agenda or program. An advanced facilitator would have a presence that would be felt in the whole room. He/she would permeate the space with confidence and certainty, and things would tend to sort themselves out without much effort on his/her part.

A more advanced facilitator would be comfortable to let his/her own creativity flow. He/she wouldn't need to refer to anything but would simply know what to do at all times. But really the key thing is that he/she takes responsibility for the session. An advanced facilitator might resolve something major simply with one well-placed question or direction, or just with one good acknowledgement

The process facilitator
There are some basic abilities that a process facilitator needs to develop in order to be successful. These are in addition to the technical knowledge she needs to have. The practical abilities lay the foundation for the session, and will in the long run be senior to any theoretical knowledge.

First of all the facilitator needs to be able to be present. The facilitator must also be able to be neutral and non-judgmental. A facilitator must be able to suspend his/her own attitudes and reactions. He/she would be perfectly willing to explore any viewpoint without any need to make it right or wrong. He/she would naturally see things from a level of wholeness and cause.

The facilitator can develop his/her ability to be neutral by familiarising him/herself with many different viewpoints.

Next, a facilitator needs to know what to do. In the first place that just means that he/she needs to have a system of knowing what to do next. He/she might maintain index cards with directions on them. A facilitator needs to be able to communicate. That includes the ability to say things in a way so that people receive it, and to listen to what people say and let them know that he/she heard it. He/she makes sure that questions are answered.

The effective facilitator

An effective facilitator comes from a position of being centred. Being centred means that one is comfortable being present, one is relaxed, and one is balanced. A person who is busy reacting to the room and the circumstances, who is thinking compulsively, who is physically uncomfortable and fidgety, won't be able to give nearly as much attention as would a person who is centred.

In martial arts one of the first things one will be taught is to be centred while doing nothing. Old Chinese Tai-Chi masters would for the first many months only teach their students how to stand. Only when the students could stand correctly, that is, in a centred, balanced, grounded way, then they would do on to learning moves.

Adapted from Facilitator Training Manual by Flemming Funch

The role of the facilitator

- A main role of the facilitator is setting the initial mood or climate of the group.
- The facilitator helps to elicit and clarify the purposes of the individuals in the group as well as the more general purposes of the group.
- She or he relies upon the desire of each participant to implement those purposes which have meaning for her or him, as the motivational force behind significant learning.
- He or she organizes and make accessible a wide range or resources for learning.
- The facilitator is a flexible resource to be utilized by the group.
- He or she accepts both the intellectual content and the emotionalized attitudes and tries to balance his/her emphasis or these aspects with the group's corresponding emphasis.
- The facilitator may share opinions with the group, once the acceptable climate has been established, but he or she must do so in ways which do not demand nor impose but represent simply a personal sharing which group members may take or leave.
- Throughout the group experience, the facilitator remains alert to expressions which indicate deep or strong feelings.
- In his or her functioning as a facilitator of learning, the facilitator recognises and accepts his or her own limitations.

A facilitator...

- Is neither a content expert nor a lecturer
- Helps participants to interact with each other, gain new information,
- Build upon their experience.
- Guides a process which will help participants to reach their stated goals and objectives within the time allotted.
- Key role is to help the group experience and learn together. If you are working with participants who may not understand the role of a facilitator, explain this to them.

A good facilitator

- Keeps the group focused on task and process
- Remains as objective as possible
- Is an informed guide helping the group to chart its course and accomplish its goals
- Listens more than talks
- Adopts to various learning styles
- Encourages everyone to participate while remembering that individuals participate in different ways. Some may talk only in small groups, but they are still participating. Others may wish to talk constantly and may be contributing little.
- Protects members of the group from attack by others
- Is gender and culturally sensitive

- Energizes a group or slows it down, as needed
- Recaps, occasionally, what has happened in the workshop and helps group to make connections between the sessions.

YOU will become a good facilitator if you follow the above hints and also

- Be alert to signs of confusion (puzzled or frustrated looks, people asking neighbours questions, resistance, etc.)
- Don't do the group's work. Learning is more effective and lasting if the individuals and small groups discover on their own (learning by doing).
- Circulate, but don't become a permanent part of any one group because you may too easily influence the group.
- Spend sufficient time with each group during small group work to be certain they have grasped the tasks and concepts supporting it.
- Review portions of the small group tasks which are causing confusion if several individuals or groups are having difficulty.
- Ask frequently if there are questions. Sometimes the training activity specifically suggests asking if there are questions, but you should ask even if the activity does not specify doing so.
- When you DO ask a question, allow group members time to think before answering. Slowly count to 10. This may seem like a long time and silence may feel uncomfortable, but allowing participants time to think is essential if you want thoughtful answers.
- Don't feel that you must be an expert. Remind the group and yourself that you are a facilitator. Remind them (and perhaps yourself) of THEIR expertise and experience. Ask other participants for their ideas on a question. Don't feel you should answer everything – you shouldn't!
- Be flexible. Keep the times of your sessions and depth and breadth of content somewhat flexible. Changing something doesn't mean you planned poorly, but probably means you are listening, watching, and adjusting your plans to fit the situation.
- Take at least two 15–20 minute breaks – one in the afternoon and one in the morning. Suggest short "stretch breaks" as needed.
- Finally, RELAX!

Becoming a more skilled Facilitator

It is not possible to learn facilitation from a book or a guide. All that can be accomplished in writing is to establish some principles.

Being a good facilitator requires achieving a high level of behavioural competencies like communications skills, impact, analytical ability, flexibility, judgement, organisational skills and self-management. We are not in a position to judge our own behavioural competencies and therefore need to get feedback from others if we are to improve. So, to improve your facilitations skills you could try the following:

- Seek training that offers opportunities to practice and receive feedback
- Seek opportunities to work alongside an experienced facilitator and ask for feedback.
- Ask your participants for feedback
- However you get your feedback be sure to avoid becoming defensive and really listen to it.

The aim of facilitation is to design and manage a process that enables the majority of participants to achieve what they set out to achieve. This is accomplished through behaviours that can be described simply as pushing and pulling behaviours.

Pushing behaviours

Pushing behaviours can be defined as those behaviours that the facilitator uses to guide and steer the facilitation process. Pushing behaviours are therefore the tools that give the facilitator control over the agenda and ultimately over the process.

Examples of pushing behaviours

The following behaviours are examples of pushing behaviours:

- Setting the agenda
- Giving information
- Disagreeing
- Telling
- Pointing out mistakes
- Defending a viewpoint
- Explaining
- Reading from a text
- Reprimanding someone

Pulling behaviours

Pulling behaviours can be defined as those behaviours that the facilitator uses to elicit information from participants. Pulling behaviours are required to keep people involved in and committed to the process.

Examples of pulling behaviours

The following behaviours are examples of pulling behaviours:

- Asking for inputs on an agenda
- Asking questions
- Asking for suggestions and proposals
- Testing understanding e.g. “So what you mean is...”
- Rephrasing e.g. “So what you are saying is...”
- Extending e.g. “Tell me more.”
- Effective use of silences
- Asking for clarification e.g. “Give me an example?”
- Summarising what has been said

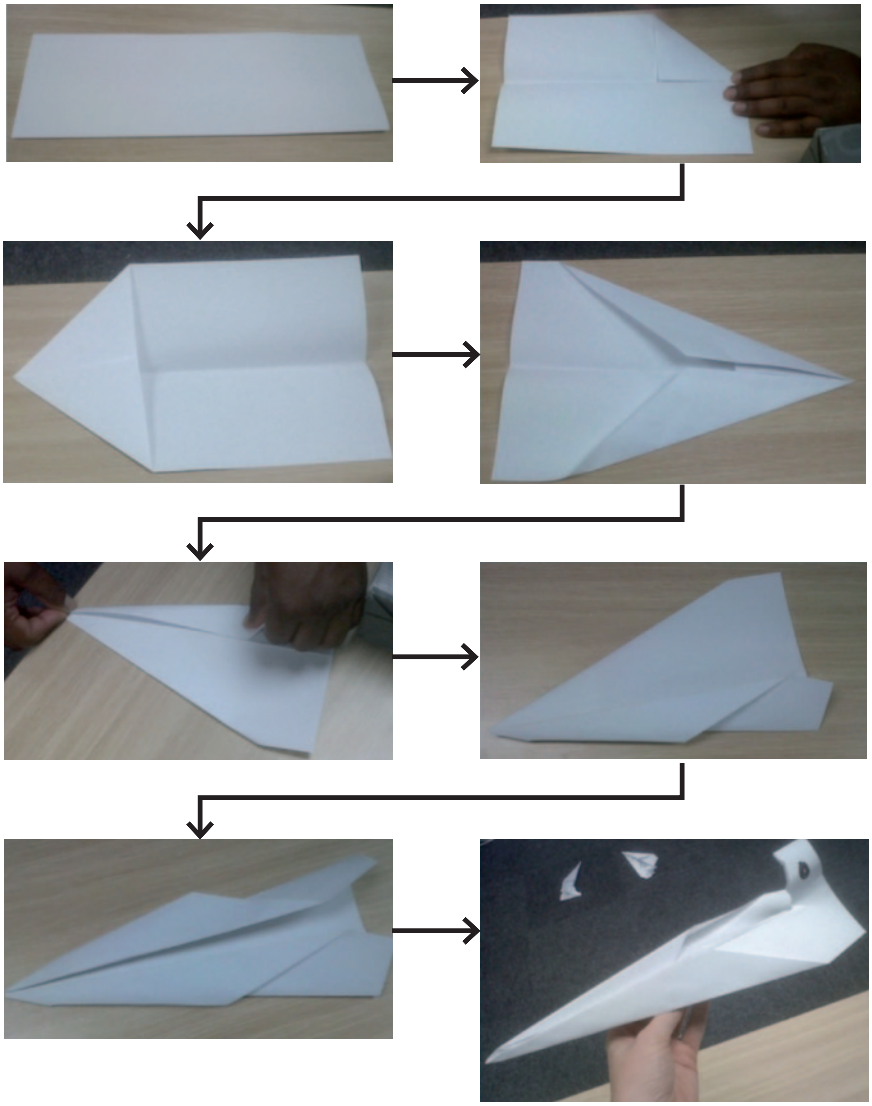
The required ratio between pushing and pulling behaviours

It might be expected that a Facilitator needs to achieve a balance between pushing and pulling i.e. a ratio of 1:1 but this is not the case.

For facilitation to effect lasting change, the desired ratio is 1:2. A facilitator should use twice as many pulling behaviours compared with the number of pushing behaviours. This is in line with the principles of how adults learn, using experiential learning.

APPENDIX 3

STEP–BY–STEP: HOW TO FOLD AN AEROPLANE









Appendix 4
THE PRINCIPLES OF ADULT LEARNING

Why do you think it is important to know how adults learn?
What are differences/similarities in the way children and adults learn?

- Adults are people with years of experience and a wealth of information. Focus on the strengths learners bring to the classroom, not just gaps in their knowledge. Provide opportunities for dialogue within the group. Tap their experience as a major source of enrichment to the class. Remember that you, the teacher, do not need to have all the answers, as long as you know where to go or who to call to get the answers. Students can be resources to you and to each other.

- Adults have established values, beliefs and opinions. Demonstrate respect for differing beliefs, religions, value systems and lifestyles. Let your learners know that they are entitled to their values, beliefs and opinions, but that everyone in the room may not share their beliefs. Allow debate and challenge of ideas.
- Adults are people whose style and pace of learning has probably changed. Use a variety of teaching strategies such as small group problem solving and discussion. Use auditory, visual, tactile and participatory teaching methods. Reaction time and speed of learning may be slow, but the ability to learn is not impaired by age. Most adults prefer teaching methods other than lecture.

- Adults relate new knowledge and information to previously learned information and experiences. Assess the specific learning needs of your audience before your class or at the beginning of the class. Present single concepts and focus on application of concepts to relevant practical situations. Summarize frequently to increase retention and recall. Material outside of the context of participants' experiences and knowledge becomes meaningless.

- Adults are people with bodies influenced by gravity. Plan frequent breaks, even if they are 2-minute "stretch" breaks. During a lecture, a short break every 45-60 minutes is sufficient. In more interactive teaching situations, breaks can be spaced 60-90 minutes apart.

- Adults have pride. Support the students as individuals. Self-esteem and ego are at risk in a classroom environment that is not perceived as safe or supportive. People will not ask questions or participate in learning if they are afraid of being put down or ridiculed. Allow people to admit confusion, ignorance, fears, biases and different opinions. Acknowledge or thank students for their responses and questions. Treat all questions and comments with respect. Avoid saying "I just covered that" when someone asks a repetitive question. Remember, the only foolish question is the unasked question.

- Adults have a deep need to be self-directing. Engage the students in a process of mutual inquiry. Avoid merely transmitting knowledge or expecting total agreement. Don't "spoon-feed" the participants.

- Individual differences among people increase with age. Take into account differences in style, time, types and pace of learning. Use auditory, visual, tactile and participatory teaching methods.

- Adults tend to have a problem-centered orientation to learning. Emphasize how learning can be applied in a practical setting. Use case studies, problem solving groups, and participatory activities to enhance learning. Adults generally want to immediately apply new information or skills to current problems or situations.

Adults respond best to learning that is:

- Active
- Experience-based
- Recognizing the learner as an expert
- Independent
- Real-life centered
- Task-centered
- Problem-centered
- Solution-driven
- Skill-seeking
- Self-directing
- Internally and externally motivated

Appendix 5
DEALING WITH DIFFICULT BEHAVIOURS

In the course of your work you are going to often come across people who, for some reason, do not wish to make a positive contribution to a process you are leading. This may be in the context of a workshop or it may be in the broader context of the process as a whole.
If you bear in mind the principle that the primary task of the facilitator is to create an environment in which the majority of people can accomplish what they came to do, then this will provide you with some guidance regarding how to manage it.

Try to keep as hands-off an approach as possible so as to avoid locking yourself into a direct confrontation. If one keeps the above in mind and asks yourself “is the behaviour preventing the majority of people from accomplishing what they came to do?” If it is, then you have to intervene. If it isn’t, then you don’t.

If possible, delay your intervention and give the group a chance to deal with the problematic behaviour. They almost always will and then that keeps you out of a direct conflict.

Below is a table that outlines some common behaviours that may occur and gives some suggestions for how to manage them in such a way that the group as a whole can achieve what it set out to do.

You will note that these are referred to as difficult behaviours and not difficult people. This is an important distinction because all of us behave negatively at some times in our lives. So, while you look through the table, see if you can spot the behaviours that you also sometime display.

DESCRIPTION	POSSIBLE REASONS	IMPACT	WHEN TO INTERVENE	SUGGESTED INTERVENTIONS
THE GREAT »I AM« Talks about all the amazing things they have done all the time. Knows everything about everything. Often loud but can sometimes be more subtle.	Often quite an insecure person who needs to do this to feel important.	Can intimidate other members. Can infuriate other members.	When you see the intimidation. Leave infuriation to the group to manage.	First, listen to and log the contribution of the person and acknowledge the value they add – often this is all that is needed. Place your body between the behaviour and the rest of the group in plenary sessions so that you can “shut it out” for a while. Always remember to move away again every so often. Place the behaviour in a small group with others of its kind and let them battle it out. Ask the person to help you with a facilitation task.
THE BOXER Aggressive. Appears angry. Shows no respect for the opinion of others.	Like most bullies, these people are more often than not, have very low self-esteem and can only feel good about themselves if they put others down.	Scares participants and prevents them from participating.	As soon as you are sure that you are dealing with a bully.	Listen to and log their first few contributions – this may settle them down. Change your design to use techniques that are paper based and anonymous so they cannot hold the floor. Block their ability to dominate a plenary session by standing in front of them every now and again. Utilise small group sessions and place them in a group with other dominant people.

DESCRIPTION	POSSIBLE REASONS	IMPACT	WHEN TO INTERVENE	SUGGESTED INTERVENTIONS
THE SILENT ONE Hardly ever says a word.	May be angry or sulking. May be upset about something not related to the workshop. May be feeling ill. May just be shy.	Their potential contribution is lost. Sometimes other participants find them a bit unnerving.	When you are sure that you understand why they are silent.	Avoid "pouncing" on them. Design your workshop so that early tasks are paper based and anonymous to ease them in to participating. If you think they are angry, take time during a break to understand what is troubling them. If it is workshop related, try to solve the problem. If they are ill, respond by establishing if they need to be helped by getting them to a doctor, or home or by simply organising a painkiller.
THE »HOBBY HORSE« RIDER Has a favourite topic that they find a way to bring up as often as possible.	May feel that they have a good idea and that people just never listen to them.	As they sometimes raise their hobby horse at inappropriate moments, over and over again it can be difficult to keep everyone else on track.	When you have heard the point made before.	Listen carefully to the point – it may well be valuable but been overlooked in the past. Make sure you log the point. If it is not directly to do with the subject, write it up on a separate piece of paper and place it prominently in the room.
LAPTOP LILLY Spends a fair proportion of the workshop on their laptop doing e-mails, talking on Skype or doing other things not related to the workshop.	Bored Don't realise that it is rude Stressed because of too many demands	Only impacts on their own ability to draw value from the workshop. If you have designed a team-based workshop, the team will deal with them.	Don't - beyond helping the group to set ground rules at the beginning.	Set ground rules at the beginning and refer to it in a respectful yet firm manner. In the ground rules, allow participants to come up with how they will handle this behaviour if they see it.
CELL PHONE SAM Receives or makes calls during the workshop. May leave the room often to make or receive calls.	Bored. Don't realise that it is rude. Stressed because of too many demands.	Only impacts on their own ability to draw value from the workshop unless they make calls in the room. If you have designed a team-based workshop, the team will deal with them.	Don't - beyond helping the group to set ground rules at the beginning unless they are making or receiving calls in the room of if the phone is not on silent.	Set ground rules at the beginning. If they are making calls in the room, check with the group if they have objections to the breaking of the ground rules that everyone agreed to. See above.

DESCRIPTION	POSSIBLE REASONS	IMPACT	WHEN TO INTERVENE	SUGGESTED INTERVENTIONS
THE JOKER Appears not to be taking the subject seriously. Makes inappropriate jokes during the process.	Naturally sees the funny side of things but not good at knowing when it is appropriate. Deliberately trying to sabotage the process.	Can be distracting but these people are sometimes useful for lightening a difficult situation.	If their jokes are hurtful or insensitive. If they are acting as a distraction.	Give them a task to do. Block them physically at strategic moments. Appreciate their humour when appropriate and ignore when not.
MR/MS IMPORTANT This person occupies a high-level position. Not used to being disagreed with. Expects special treatment.	Genuinely competent people in high level positions do not need to demand respect – they earn it easily. This person is not confident of their competence.	Can divert the entire process to their point of view. Can silence the members out of fear of annoying them. Can undermine the work of the facilitator.	When you are planning and preparing the workshop.	Do your homework – understand where they are coming from and what their expectations are. Design so that they are properly acknowledged at the beginning and the end but during the important discussions utilise techniques that create more equal ground.
MOANING MINNIE Complains and moans about everything but not really open to solutions.	Usually these people think it makes them look cleverer if they find fault with everything – which means that they are not sure if they are clever.	Can "infect" the process with their negativity.	If you see that the group is becoming demoralised by the constant negativity.	Make sure you phrase all of your discussions from a positive point of view. Split the discussion into "problems" and "solutions". In small group discussions, put them with dominant people.
THE FIRE CRACKER Appears to be quietly participating but then suddenly explodes – almost like a tantrum.	People who have allowed a situation to build up without dealing with it.	People like this can completely derail a process and be very damaging.	Immediately.	Take them away from the situation if possible. Do not enter into the specifics until they have calmed down. When they are calm – hear them out. If you cannot calm them – remove them from the process.

Managing difficult behaviours in the context of the process as a whole
Asking people in Local Government to change the way they do things will sometimes cause them to resist that change with all their might.

They may do this openly and up front or they may appear to agree with everything but not have the slightest intention to implement any change. Either way, it Is your job to identify, understand and enable these people to accept and support change.
In order for people to accept and support change they need to go through the following phases:

- They need to become aware of the need to change
- They need to develop the desire to change
- They need to know how to change

It is possible to increase awareness of the need to change and to assist people to acquire the knowledge and skills they need to change but it is often difficult to get people to desire change.

This is where your intelligent use of pushing and pulling will come into play. The best way to manage resistance is to prevent it from happening where possible.

To do this you must:

- ***Listen***
- ***Acknowledge***
- ***Respond***
- ***Communicate***
- ***Never make empty promises***

Appendix 6
CASE STUDIES

Read the case study and then answer the questions that follow.

1. SAVING THEMBI – *A true story*

The clinic sister looked sadly at the young mother sitting opposite her with a small baby lying listlessly in her lap.

– I am so sorry Mrs Siwisa, Thembi is very sick and she has a high fever. She needs medicine now to get her fever down quickly but we do not have that medicine here. Maybe you can go across to the chemist in the mall and buy some there for now. I think we will have the right medicine tomorrow or on Monday. If Thembi gets worse over the weekend, you must take her to the hospital.

The mother bowed her head slightly, gathered her child up and left the room. She had no idea where she was going to get the money for the taxi home, let alone to buy medicine from the chemist. If Thembi did not get better by herself she would not be able to get her to the hospital either because she had no money for transport.

The clinic sister watched the small defeated figure through the window and sighed.

She thought she had become a nurse to help people!

How does something like this happen?

- There are 17 clinics in the Municipality where Thembi and her mother live.
- There are 2 supporting medical stores (1 Provincial, one Municipal), and 1 non-medical store
- Each store plays a very critical role in supplying the clinics with their much-needed medicines and other products.
- The budget for the 17 clinics is managed at the head office administration section.
- Head office is given a substantial medicine grant from Province for the essential medicines.
- The pharmacist manages the whole process of supplying the clinics with medicine.
- She undertakes the following tasks:
    - requesting medicines from the stores
    - authorising requests from clinics
    - requesting authorization for payment from the admin department
    - liaising with suppliers and buyers
    - managing the Municipal medical storeroom
    - managing the staff
    - dispensing medicines
- The pharmacist is overwhelmed by the burden of her duties
- Staff have offered to learn some of her jobs but she is clear that she is the professional and therefore they cannot do what she does.
- At the pharmacy, staff relationships are at an all time low.
- Despite this, the staff are all doing their jobs.
    - The couriers are delivering the mail at the right times and distributing the medicines when required. When not occupied they wait at the store until it is time to go home.
    - The TB x-ray van drivers drive the vans 3 days a week.
    - The delivery van drivers would deliver the goods to the clinics as and when required.
    - The storekeeper keeps his stock up to date.

- The clinics are stretched over an area of approximately 200 km in 4 directions.
- The deliveries are done on an ad hoc basis.
- The clinic managers do not predict their monthly usage but order when they run short.
- The clinic sisters operate independently of each other e.g.: TB sister requests TB medicines; Family planning sister requests family planning medicines etc.
- While the Municipal medical store and the procurement section are next door to each other, the couriers have to drive 40 km to the admin section for expenditure approval. They also have to drive 40 km in the other direction to the Provincial medical store.
- Due to the huge demand for certain supplies the clinic managers request more than they need "just in case".
- If the first few clinics get these large orders in, the next orders cannot be filled because the medicine is finished.
- Because clinics order more than they can use, medicines expire and are thrown away by the truck load.
- Because the demand is unpredictable, the storekeeper requests more than is needed "just in case".
- The admin office staff and the buyers, concerned about the huge quantities being requested to "prioritise" the requests based on no medical expertise and governed by what is cheapest.
- Requisitions are coming into the stores from the same clinics at different times and are in no way linked to each other or based on current demand.

And that is why there is no medicine for Thembi.

Questions

- Who are the customers of this department?
- What do the customers want from the department?
- What is preventing them from delivering this service?
- Whose fault it is that the country lost an important investment opportunity?

2. THE LOG – *A true story*

One sunny day in one of the leafy suburbs of Kwa Zuma, Leonora Harlington-Stubbs was walking her Afghan hound, Shamir, in the park. Everything was peaceful and quiet except for the singing of the birds in the oak trees.

Leonora looked around and saw that she and Shamir apparently had the park to themselves so she decided to let the dog off the leash to have good run.

Shamir was joyful at the freedom and sped off to run around the trees. Suddenly, she stopped and stiffened and began to bark furiously.

Leonora hurried over to see what had disturbed her dog. To her surprise, she came across a group of about 5 men in orange overalls fast asleep in the shade of a tree. A pot on a primus stove beside them was gently steaming and, at the bottom of a small hill she could just see a group of 6 men in red overalls sweating profusely as they slaved away cutting the grass in the garden.

In the middle of the immaculately mowed area behind them lay a large log. It was surrounded by long straggly grass and litter and stood out like a sore thumb against the pristine surroundings.

Leonora had never been a shy person so she demanded of one of the men,

– Why are you not cleaning up that log?

– Madam, he replied, – I am a grass cutter, moving logs and picking up litter is not my job.

Nonplussed, Leonora asked testily

– Well, whose job is it then. Very respectfully, the man grinned at her and said,

–You must rather ask one of them, indicating the group of sleeping men.

Clipping her dog on the leash, Leonora strode over to the group and shook one of the men awake.

–Why have you not cleaned up that log?, she asked. Yawning and scratching his belly, the man began to wake the sleeping figures around him. After a loud conversation accompanied by much shrugging of shoulders it became apparent to Leonora that they clearly did not feel at all responsible for the removal of the log.

She stormed off furiously vowing to have the log removed if it was the last thing she did.

She immediately called the Municipality. The switchboard operator heard approximately 1 second of her story before putting her through.

Parks Receptionist: –HelloparksthankyouforyourcallMelissaspeakinghowcanIhelp?
Leonora: –I beg your pardon?
Parks Receptionist: –Hello. Parks. Thank you. For. Your. Call. Melissa. Speaking. How. Can. I. Help?
Leonora: –Ah so that was English. I wish to speak to somebody about park cleaning please?
Parks Receptionist: –Please hold.
(Music for about 5 minutes).

Leonora finally got through to a Mr Marcus who patiently listened to her whole story and then told her that she had been put through to the wrong extension. Leonora valiantly controlled her temper and asked Mr Marcus to put her through to the right person....please! He cheerfully agreed and eventually was put through to the Parks Directorate. After 3 more attempts to find the right person Leonora finally found Mr Mthembu..

Through clenched teeth, Leonora explained her problem....again! Mr Mthembu only had one question for her.

–What colour overalls were the workers wearing? For a second, Leonora was dumbstruck by this response but she searched her memory and said that the sleeping workers were wearing orange and the working workers were wearing red.

–Ah, said Mr Mthembu in a satisfied tone, –that explains everything.

Leonora was silenced briefly by the sheer absurdity of what she had just heard.

–Well, it may explain it to you but it certainly doesn't explain it to me! Leonora noticed that her voice was becoming shrill and that Shamir was becoming alarmed.

Mr vMthembu then explained how they did things around the municipality and this is the story he told:

Looking after the Parks is the responsibility of two different Directorates; the Parks Directorate and the Amenities Directorate. This is based on some historical division of duties that nobody can explain any more. The Parks staff wear orange overalls and the Amenities staff wear red overalls.
Each Directorate has a manager who is responsible for clearing the parks and each of these managers has a different approach to managing the process.

The Parks staff (orange overalls) are collected by truck from their homes, taken to the depot to collect their tools and then dropped off in teams of 6 at their various sites of work. As they are picked up very early in the morning, the first thing they do when they arrive on site is to have their breakfast break and then begin work. In each team there are specialised workers i.e. lawn mower operators, weed eater operators, leaf blower operators and...litter collectors! By the time the driver has dropped the last team, it is time for him to collect the first team because of the big distances involved.

The Amenities staff (red overalls) travels to work at the depot by public transport. They collect their tools, have breakfast and are then taken by truck to their respective work sites. They too, are comprised of specialists but they do not have any litter collectors. By the time they arrive on site, it is time for them to have their tea break and then they start work.

For both teams, the work has to take place in a particular order. The Weed eater

operators trim the edges then the lawn mower operators mow the grass, the leaf blower operators blow the grass and leaves together into neat piles and then they stop. Once the red team has completed the job, the litter collectors from the orange team can collect the grass, leaves and litter. The rest of the orange team just waits.

Mr. Mthembu , satisfied that he had given as full and helpful an answer as possible, asked Leonora if she had any questions.

With super human patience, Leonora replied that she still didn't understand why the men were sleeping when they could have been moving the log.

Patiently Mr. Mthembu explained that it was obvious. The Amenities team (red) obviously got to the site first and began their work while the orange team waited. The red team does not pick up litter so the orange team Litter collector would pick up the litter once the red team had completed their portion of the work. The problem with the log is that it could not be considered litter so that it was nobody's job to remove it. Mr. Mthembu suggested that Leonora contacted the Forestry Directorate to see if they could come and remove the log.
Leonora's response cannot be printed in order to avoid giving offence.

Questions

- Who are the customers of this department?
- What do the customers want from the department?
- What is preventing them from delivering this service?
- Whose fault it is that the log never got moved?

3. BUILDING OUR COUNTRY – *A true story*

JANUARY

It is a warm Friday evening in January at the Dog and Duck, a pub in a Municipality somewhere in South Africa. Work Colleagues James Cilliers and Conrad Tshange are sharing a quiet drink in a dark corner trying to unwind from the week's stresses. Conrad is an architect and James is a quantity surveyor with a large property development company.

Conrad stretches lazily and asks James how his week was.

– Oh man, it was so frustrating! James replies.

– Oh yeah, old man Schmidt giving you a hard time again?, Conrad teases.

– No, replied James. – This had nothing to do with my work at all. You know I'm building my own house?

– Ja, I know. I sent you to my friend for the plans. What's the problem?, asks Conrad.

James explains, – I'm ready to build the wall around the place now so I went to the Municipality to get the plans approved. I mean, it's only a 1m wall. How long could it take? Anyway, all they could do was take my application fee and tell me to come back in February to see if there is any progress! Now I don't know what to do because my dog keeps getting out and beating up the neighbour's dog.

– How come I never saw you at the Municipality?, asked Conrad. – I was there today too. I went to put in the plans for the Sea Tides Shopping Mall. Man! Is that development really going to do something for this area! A R100m investment from overseas and 1000's of jobs. I am so excited about it. We must move it though. The investors want it up and running in a year or they walk!

James laughed, – Well, I think you are gonna get more action than me china! They gonna leap at the opportunity. Economic development is the big thing in their IDP.

FEBRUARY

The Dog and Duck on the last day of the month. It is buzzing with activity. Two rather mournful-looking men meet at the bar.

– Howzit James!, says Conrad.

– Ay, don't ask man!, replies James. – I

was back at the Municipality today and they told me that the plans for my wall encroach 50mm over the boundary. They say I must get the plans re-drawn. You know, I have spent every last cent on this house. Your buddy is cheap but he's not free. If I get new plans I won't be able to build the wall any way!

Conrad took a slow sip of his beer.

– Those guys really need to get themselves jacked up. I was there yesterday to check on the application for Sea Tides and they told me that I am 3 signatures short for the motivation so they can't process it any further! I've gotta go back with the extra signatures next week.

AUGUST

In the car park outside the Dog and Duck, Conrad and James bump into each other on their way into the pub. The wind is howling around them as they hurry into the shelter of the building. James is looking stressed out and Conrad asks him why.

– This whole wall thing has got way out of hand now, he replied. – We kept having hassles with the dogs so I just took the chance and built the wall without plans. I figured that the Municipality is in so much chaos that they would never pick it up anyway – you know what I mean? How was I to know that the guy next door had contacts? Anyway, he was so mad with me about the dog stuff that he reported my wall to the inspectors and now I am charged with illegal building and I have to appear in court. The really lousy part of it is that they say I must demolish the wall!

– Shew!, said Conrad, - that's really heavy man. I can't believe they got onto it so quickly. I wish they would rather have handled my application with as much energy!

– Oh ja, said James, – How is that going?

– You won't believe me when I tell you! I went back with those signatures the next week and then they told me I must come back in a month to check the progress. I went back in March and they told me that there were some legal problems and the plans had to go to the Chief Plans Officer and that I must come back in another month to check the progress. I went back in April and they told me the plans had to go to Province and to come back in another month. When I went back in May, it still hadn't made the agenda for the politicians to look at it and it didn't make it on to the agenda until July. Then they told me that the politicians wanted a public participation process about it. Well, when I took that back to the investors, they just took their money away and cancelled the project. They are building the mall in Mauritius now. I believe they will be on site next month. What a waste man!

– Ay I so sorry man, said James as he bought Conrad a double Whisky. – I'm sorry for you but I'm also sorry for this country. How can we build South Africa like this?

Both men stared into the deep brown fluid and sighed.

Questions

- Who are the customers of this department?
- What do the customers want from the department?
- What is preventing them from delivering this service?
- Whose fault it is that the log never got moved?

Appendix 7

SERVICE DELIVERY CHARTER

The service standards should be published as the Service Delivery Charter (SDC) of the relevant department/component/institution and should contain the following information:

- The name and address of the department/component/institution.
- A description of the services to be provided, at what level the services will be provided and the perceived benefit to customers.
- A clear statement of the standards of service delivery customers can expect to receive, focusing on Quantity, Quality, Time and Costs.
- Specific service delivery targets for key aspects of service such as timeliness, access and accuracy.
- The cost to the customer for receiving the service, if any.
- The complaint and redress mechanisms that customers may use if they feel that standards are.

Appendix 8
EVALUATION TEMPLATE

Workshop Evaluation Form

1. Please rate the workshop. 0 1 2 3 4

Use the following 0 to 4 scale: **0** = very poor, **1** = poor, **2** = acceptable, **3** = good **4** = excellent.

2. Why did you give this rating?

3. What have you learnt from the workshop?

4. Which parts of the workshop were most useful?

5. What was not useful or not clear?

6. How could the facilitator improve?

7. Other feedback or suggestions?

Notes:

FACILITATOR'S GUIDE

Part of the **Responsive Local Government** Toolkit: Facilitator's Guide for Service Improvement in Local Government in South Africa, Namibia and Botswana.

This facilitator's guide is intended as support material for facilitators in municipalities in driving a Service Improvement intervention - together with the Participant's workbook and CD with instructions.

THE TOOLKIT CONSISTS OF FOUR ELEMENTS

1. A **SERVICE IMPROVEMENT GUIDE** that sets out to explain the concept of Service Improvement, its benefits, and why it's necessary in local government, targeting both officials and politicians. It also provides an overview of the steps that can be taken in a Service Improvement initiative. The guide can be used independently as well as reference material in training.

2. **FACILITATOR´S GUIDE** that outlines the Service Improvement process and steps taken, including some generic material around facilitation. This facilitator´s guide will be used in the training of trainers of facilitators and 'change agents' in municipalities to drive the Service Improvement process.

3. The Participant's **WORKBOOK** is an exercise book that is left with participants in Service Improvement training.

4. A **CD** with instruction videos, and other support material for facilitators.

Part of the Responsive Local Government Toolkit

Swedish Association of Local Authorities and Regions
SALGA South African Local Government Association
bala BOTSWANA ASSOCIATION OF LOCAL AUTHORITIES
This cooperation is funded by the European Union and Sida



3

RESPONSIVE LOCAL GOVERNMENT TOOLKIT

RESPONSIVE LOCAL GOVERNMENT

Participant's Workbook

A Participant's Workbook for Service Improvement in Local Government in South Africa, Namibia and Botswana

EDITORIAL NOTES

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EXERCISE 1

Expectations

My expectations for this workshop:

EXERCISE 2

Service Please!

Discussion

Think about a time when you experienced bad service delivery.

What do you think caused it?

What are the consequences of these experiences?

EXERCISE 3

Alternative exercise for TOP MANAGEMENT

Why are we doing service improvement in local government?

EXERCISE 4

Alternative exercise for TOP MANAGEMENT

Read the following quote and respond to the questions that follow.

"A customer is the most important visitor on our premises.
He is not dependent on us. We are dependent on him.
He is not an interruption in our work – he is the purpose of it.
We are not doing him a favour by serving him. He is doing us a favour
by giving us the opportunity to serve him."

Questions

1. Is this how you feel about the communities that your Municipality serves?

2. Is this how your staff feels about the communities your Municipality serves?

3. What impact does how the staff views the communities have on how they do their work?

4. Are there any changes you would like to make?

5. How does referring to the people who need the services of your Municipality as 'customers' change how you think about them?

EXERCISE 5

Inputs/outputs

JOB TITLE: Printing Machine Clerk

DEPARTMENT: Engineering, Section: Drawing Office

JOB REQUIREMENTS:

1. Experience required: nil
2. Training: one month on the job
3. Mental skills: Checking of materials for ordering in advance
4. Equipment: Variable plan printing machine, guillotine.
5. Control of resources: Plan printing machine requires careful handling.
6. Discomforts: Some fumes

PURPOSE OF JOB:

To operate the plan printing machine attached to the engineer's drawing office.

TASKS:

1. Cleans machine and fills with ammonium fluid.
2. Cleans room and removes all waste paper.
3. Files all copies in numerical order in the filing cabinet.
4. Print required number of copies from originals.
5. Cuts plans and prints to size with guillotine.
6. Stamp copies with date stamp and pass to administrative clerk to distribute to the engineers.
7. Polishes and cleans the drawing offices.
8. Requisitions paper and ink supplies in advance.

What are the outputs of this job description?

continued

continued **EXERCISE 5**

JOB TITLE: Senior Training Officer
DEPARTMENT: Supply Chain Management
JOB REQUIREMENTS:

1. Experience required: NQF 6 or equivalent training qualification
2. Training: Ongoing training is provided
3. Knowledge: Thorough understanding of training methodology, NQF, adult education and training methods.
4. Responsibility: Responsible for one training officer, and the training facility.

PURPOSE OF JOB:
To provide technical training of administrative staff in SCM to ensure efficient and effective service to internal customers.

TASKS:

1. Responsible for training of new staff and existing administrative staff.
2. Ensure staff have been trained and kept up to date in administration, procedures, regulations and compliance.
3. Identify training needs and compile Annual Training Plan
4. Plan training priorities for individuals and the department.
5. Plan and co-ordinate training events.
6. Procure external training services when necessary.
7. Ensure that training operates within budget.
8. Monitor and evaluate quality of training.
9. Monitor and report on attendance.
10. Implement induction programmes for new employees.
11. Control own training budget.
12. Complete administration and record keeping related to training conducted.

What are the outputs of this job description?

EXERCISE 6

Silo Thinking

- In the Mymuni Municipality, there is a task to complete the cutting of the verges.
- This is done by the *Department of Parks and Forests*.
- However, once the verges are cut, the *Dept of Parks and Forests* sweep up and clean the cut grass which is left lying on the verges. Some of the cut grass lands up in the gulleys on the road verge, or around the storm water drains.
- The *Cleansing Dept* is responsible for sweeping up grass which lies in the gulleys.
- The *Drainage Dept* is responsible for sweeping up the grass which gathers in the storm-water drain.
- Therefore one task of cutting verges, involves *three different departments* to sweep up the grass cuttings.

What are your recommendations for breaking down these silo's?

EXERCISE 7

Process Management

Task:
You are required to simulate a production line to manufacture paper aircrafts. The production line will be considered effective when it returns a profit i.e. when the income exceeds the expenses. We will need 6 staff members for the production line, the supplier and a buyer/customer (8 volunteers) and a time keeper. The rest of the participants will be the shareholders.

BACKGROUND: The production line must be effective within a week (three minutes).
Three criteria will apply:
- The profitability of the production line (income must be more than expenses
- The aeroplane must look the same as the original design
- Effectiveness of the aircrafts i.e. the aeroplane must be able to fly.

GROUND RULES:
1. The company must make a profit after a week (three minutes).
2. Costs will be calculated as follows:
   – Every blank sheet (the material) that is purchased costs R1 million
   – Every completed product (aeroplane) will be sold for R2 million
   – Staff salaries of R3 million must be paid weekly.
3. The staff will go on training.

EXPENSE SHEET

Week	No of aero-planes sold (supplier)	Total income (no. of planes x R2m)	Total cost of sheets bought (no. of sheets x R1m each) (customer)	Staff salary @ R3m per week	Total expenditure (Cost of sheets + staff salary)	Profit/Loss (Income – Expenditure)
1						
2						
3						
4						

EXERCISE 8

Catalogue of Services

How do your customers know what services the municipality offer?

Where can they go to find out?

Who can they talk to, to find out?

How can your municipality make it easier for them to find out?

EXERCISE 9

Feedback and Complaints Mechanism

Who is your customer?

Why is it important to communicate with our customers?

On a scale from 1 to 5, how important is it that customers are “heard” by our municipalities?

Why do you say so?

How do you get feedback from your customers?

Which of the following methods do you use to get feedback from your customers?
Place a tick (√) in the relevant box.

Method	always	sometimes	never
Suggestion box			
Recommendation box			
Call centre			
Customer care centre			
Sms’s			
website			
Phone calls to a department			
Face to face complaints 1–to–1			
Questionnaires			
Filling in forms			
Public meetings			
Suggestion/comments book			
Interviews			
other			
other			

continued

From the always column that was ticked, do you think those methods have been very successful? Why? Why not?

Which of the other methods (above) do you think can also assist in getting more feedback from the customers?

What can you do to get these implemented into the system?

Draw a process map to show how you receive feedback /complaints from your customer until you give feedback to your customer. You may use the template on page 16 or do your own.

EXERCISE A

Feedback and Complaints – Checklist to rate service improvement
for TOP MANAGEMENT

- The following checklist can be used to rate the service performance of staff and management in your department.
- Rate each of the items in terms of current performance: 1 = Low 5 = High

Aspects of Service

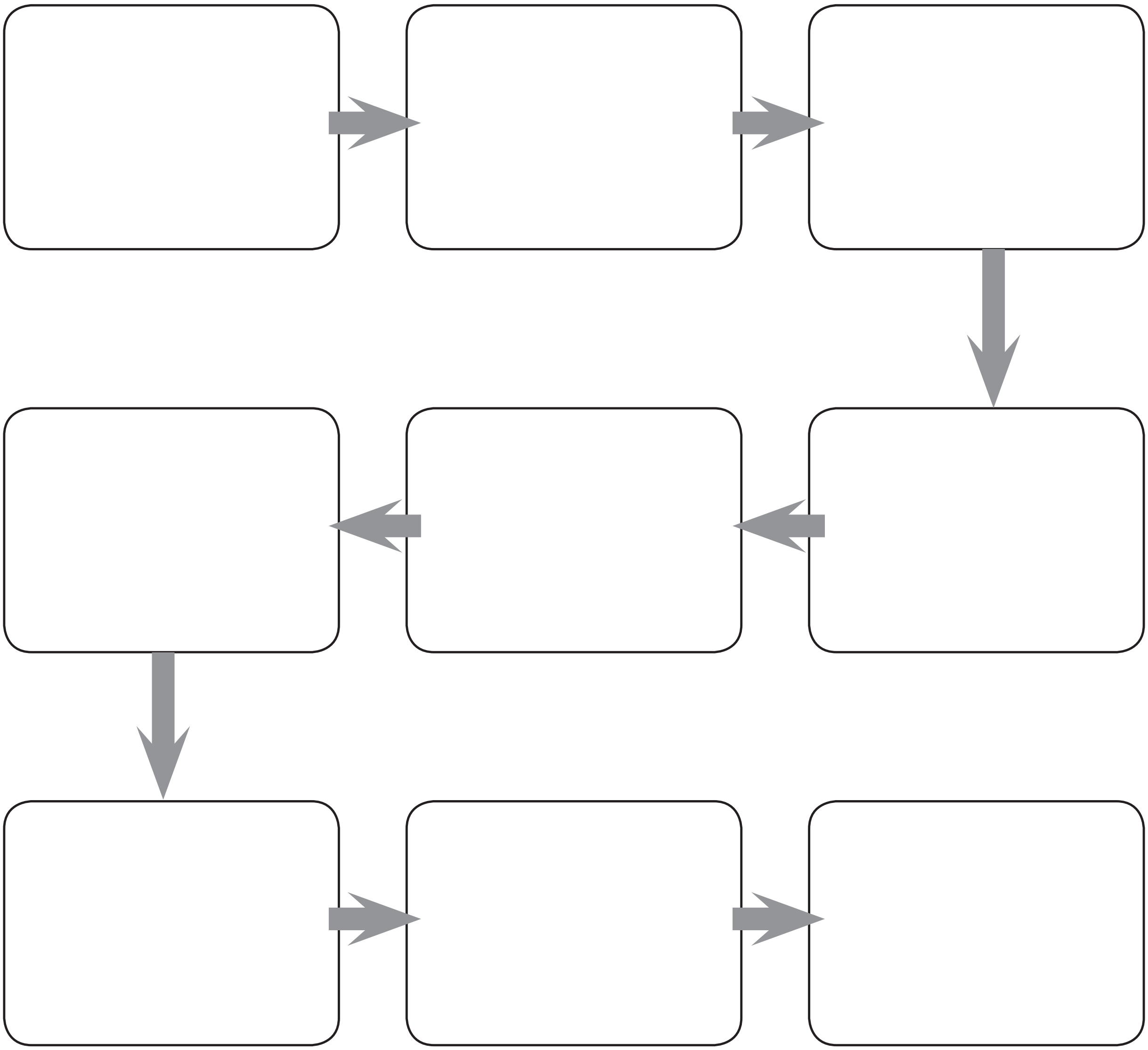
Service Staff	Rating
Receive regular feedback from customers	
Respond effectively to feedback and complaints	
Continually improve the service we offer	
Provide efficient and effective service	
Is helpful and satisfies customer needs	
Communicate effectively and provide all relevant information	
Respect citizens and their perceptions and opinions	
Consider the human aspects of service delivery	
Pay attention to cultural values and perceptions	
Give special assistance to citizens with special needs, e.g. literacy level, disability, age, language, financial circumstances, individual situation, etc.	

Other – please add other factors you think are important:

TEMPLATE: PROCESS MAPPING AND WORK DESIGN

Task:

Name/Team



Output – Customer – Service Standards

EXERCISE B

Mapping a Process

Think about an application process which needs to be made in your section or department. What tasks need to be completed for the application to be made?

Reflecting on your own process:
What is the input of the process?

What is the output of the process?

Who responsibility is the operational process?

What support staff or processes are needed?

continued

Is each business process necessary?

Are the responsibilities located correctly?

Does it support the municipality's mission?

Does it meet the customer's needs?

Is the process efficient?

Are there any time delays?

Is the process cost effective?

EXERCISE C

A Tool for rating Aspects of Service Management
for TOP MANAGEMENT

Rate each of the items in terms of current performance: 1 = Low 5 = High

Service Managers and Supervisors	Rating
Improve service performance and productivity	
Support personnel training and development	
Encourage personnel to improve quality	
Control costs and improve efficiency	
Ensure that staff focus on satisfying customers	
Clearly define customer needs and expectations	
Define service quality goals and standards	
Monitor service standards	
Encourage continuous improvement	
Foster a collective commitment to quality	
Improve the efficiency of service delivery	

Other – please add other factors you think are important:

EXERCISE D

Service Standards

Describe the current service and service standards.

Write up a detailed description of each service standard applicable for the current process.

Key Service Standards Include

- Quality
- Quantity
- Time taken/speed
- Cost
- Accessibility
- Flexibility
- Other
- Other

continued

continued **EXERCISE D**

Service Standards for: ______________________________

Quality:

Quantity:

Time/Speed:

Cost Effectiveness:

Flexibility:

Other:

EXERCISE E

Implementation and Monitoring
for TOP MANAGEMENT

The new and improved process must be implemented through planned changes in practice.

1. Draw an action plan for the implementation for the Catalogue of Services
2. Using the example below (or your own), do an action plan for the implementation of the new process and standards

Action	Agreed Tasks/steps	Who will do this?	Who to be involved	Agreed Time frame
Catalogue of Services	Develop a CoS brochure Communication to staff Communication with councillors Communication with citizens/clients			
Feedback and Complaints	Develop a policy for FB&C Communication of policy to staff and councillors Implementation Communication of implementation to citizens/ clients			

Who will monitor the implementation?

When will this be done?

Who will be involved?

CASE STUDY From MYMUNI

Mymuni has launched a campaign for homeowners to convert to prepaid electricity meters. As it is a new campaign there is only a small fee of Af 50 to pay. After the 3 months campaign is over, it will cost Af 500 to install the meter.

Mr and Mrs Munipapa want to apply for a prepaid meter. They phone the municipality to enquire what must be done and are told to come into the civic centre to make an application.

The next day they go to the municipal office. They are not too sure where to go and there is no signage to help them. After standing in the wrong queue they are directed to the electricity department. They queue for attention, only to be told they need to go back to the reception area where they will find an application form. There are only two people dealing with queries and applications, and there are a number of people with all sorts of queries. Because of the campaign there are at least 6 other people wanting to apply for their meters as well. Once Mr & Mrs Munipapa have completed the application form they return to the counter.

They have not filled in the form correctly, as Mr Munipapa 'For Office Use'. So they need to fill in a new form…

Confusing for Mr Munipapa is also that the form refers to a fee of Af 1 500 and not the special fee offered in this campaign. He is quite concerned as he cannot afford the higher fee and has together with his wife decided to do this based on the lower fee. The municipal staff member also needs a copy of the their rates account, ID book, and the deposit.

As Mr & Mrs Munipapahave not brought the rates account with them, they cannot proceed with the application. Another customer has got all the documents but has not paid the Af 50 fee, which is payable at the building next door (the customer can then return with the receipt, the completed form, all the necessary documents, and then their application can be accepted).

REFLECT

How would you feel as the customer?
What did the customer want?
Why was service delivery a problem?
What could be improved to rectify these problems?

APPENDIX 2

THREE CASE STUDIES

Instructions
Choose a case study which is appropriate to the group you are working with. Read the case study to the group and then let the groups answer the questions that follow.

1. SAVING THEMBI – A true story

THE CLINIC SISTER looked sadly at the young mother sitting opposite her with a small baby lying listlessly in her lap.
– I am so sorry Mrs Siwisa, Thembi is very sick and she has a high fever. She needs medicine now to get her fever down quickly but we do not have that medicine here. Maybe you can go across to the chemist in the mall and buy some there for now. I think we will have the right medicine tomorrow or on Monday. If Thembi gets worse over the weekend, you must take her to the hospital.

The mother bowed her head slightly, gathered her child up and left the room. She had no idea where she was going to get the money for the taxi home, let alone to buy medicine from the chemist. If Thembi did not get better by herself she would not be able to get her to the hospital either because she had no money for transport.

The clinic sister watched the small defeated figure through the window and sighed. She thought she had become a nurse to help people!

HOW DOES SOMETHING LIKE THIS HAPPEN?

- There are 17 clinics in the Municipality where Thembi and her mother live.
- There are 2 supporting medical stores (1 Provincial, one Municipal), and 1 non-medical store
- Each store plays a very critical role in supplying the clinics with their much-needed medicines and other products.
- The budget for the 17 clinics is managed at the head office administration section.
- Head office is given a substantial medicine grant from Province for the essential medicines.
- The pharmacist manages the whole process of supplying the clinics with medicine.
- She undertakes the following tasks:
  - requesting medicines from the stores
  - authorising requests from clinics
  - requesting authorization for payment from the admin department
  - liaising with suppliers and buyers
  - managing the Municipal medical storeroom
  - managing the staff
  - dispensing medicines
- The pharmacist is overwhelmed by the burden of her duties
- Staff have offered to learn some of her jobs but she is clear that she is the professional and therefore they cannot do what she does.
- At the pharmacy, staff relationships are at an all time low.
- Despite this, the staff are all doing their jobs.
  - The couriers are delivering the mail at the right times and distributing the medicines when re-

quired. When not occupied they wait at the store until it is time to go home.
  – The TB x-ray van drivers drive the vans 3 days a week.
  – The delivery van drivers would deliver the goods to the clinics as and when required.
  – The storekeeper keeps his stock up to date.
- The clinics are stretched over an area of approximately 200 km in 4 directions.
- The deliveries are done on an ad hoc basis.
- The clinic managers do not predict their monthly usage but order when they run short.
- The clinic sisters operate independently of each other e.g.: TB sister requests TB medicines; Family planning sister requests family planning medicines etc.
- While the Municipal medical store and the procurement section are next door to each other, the couriers have to drive 40 km to the admin section for expenditure approval. They also have to drive 40 km in the other direction to the Provincial medical store.
- Due to the huge demand for certain supplies the clinic managers request more than they need "just in case".
- If the first few clinics get these large orders in, the next orders cannot be filled because the medicine is finished.
- Because clinics order more than they can use, medicines expire and are thrown away by the truck load.
- Because the demand is unpredictable, the storekeeper requests more than is needed "just in case"
- The admin office staff and the buyers, concerned about the huge quantities being requested to "prioritise" the requests based on no medical expertise and governed by what is cheapest.
- Requisitions are coming into the stores from the same clinics at different times and are in no way linked to each other or based on current demand.

AND THAT IS WHY THERE IS NO MEDICINE FOR THEMBI!

Questions

Who are the customers of this department?
What do the customers want from the department?
What is preventing them from delivering this service?
Whose fault it is that the country lost an important investment opportunity?

2. THE LOG – A true story

ONE SUNNY DAY in one of the leafy suburbs of Kwa Zuma, Leonora Harlington-Stubbs was walking her Afghan hound, Shamir, in the park. Everything was peaceful and quiet except for the singing of the birds in the oak trees.

Leonora looked around and saw that she and Shamir apparently had the park to themselves so she decided to let the dog off the leash to have good run.

Shamir was joyful at the freedom and sped off to run around the trees. Suddenly, she stopped and stiffened and began to bark furiously.

Leonora hurried over to see what had disturbed her dog. To her surprise, she came across a group of about 5 men in orange overalls fast asleep in the shade of a tree. A pot on a primus stove beside them was gently steaming and, at the bottom of a small hill she could just see a group of 6 men in red overalls sweating profusely as they slaved away cutting the grass in the garden.
In the middle of the immaculately mowed area behind them lay a large log. It was surrounded by long straggly grass and litter and stood out like a sore thumb against the pristine surroundings.

Leonora had never been a shy person so she demanded of one of the men – Why are you not cleaning up that log? – Madam, he replied, – I am a grass cutter, moving logs and picking up litter is not my job. Nonplussed, Leonora asked testily – Well, whose job is it then.Very respectfully, the man grinned at her and said, – You must rather ask one of them, indicating the group of sleeping men.

Clipping her dog on the leash, Leonora strode over to the group and shook one of the men awake.
– Why have you not cleaned up that log? she asked. Yawning and scratching his belly, the man began to wake the sleeping figures around him. After a loud conversation accompanied by much shrugging of shoulders it became apparent to Leonora that they clearly did not feel at all responsible for the removal of the log. She stormed off furiously vowing to have the log removed if it was the last thing she did.

She immediately called the Municipality. The switchboard operator heard approximately 1 second of her story before putting her through.
Parks Receptionist:
– HelloparksthankyouforyourcallMelissaspeakinghowcanIhelp?
Leonora: – I beg your pardon?
Parks Receptionist: – Hello. Parks. Thank you. For. Your. Call. Melissa. Speaking. How. Can. I. Help?
Leonora: – Ah so that was English. I wish to speak to somebody about park cleaning please?
Parks Receptionist: –Please hold.
(Music for about 5 minutes)

Leonora finally got through to a Mr Marcus who patiently listened to her whole story and then told her that she had been put through to the wrong extension. Leonora valiantly controlled her temper and asked Mr Marcus to put her through to the right person… please!

He cheerfully agreed and eventually was put through to the Parks Directorate. After 3 more attempts to find the right person Leonora finally found Mr Mthembu. Through clenched teeth, Leonora explained her problem… again!

Mr Mthembu only had one question for her.
– What colour overalls were the workers wearing? For a second, Leonora was dumbstruck by this response but she searched her memory and said that the sleeping workers were wearing orange and the working workers were wearing red.
– Ah, said Mr Mthembu in a satisfied tone, – that explains everything.

Leonora was silenced briefly by the sheer absurdity of what she had just heard.
– Well, it may explain it to you but it certainly doesn't explain it to me! Leonora noticed that her voice was becoming shrill and that Shamir was becoming alarmed.

Mr Mthembu then explained how they did things around the municipality and this is the story he told:

"Looking after the Parks is the responsibility of two different Directorates; the Parks Directorate and the Amenities Directorate. This is based on some historical division of duties that nobody can explain any more. The Parks staff wear orange overalls and the Amenities staff wear red overalls. Each Directorate has a manager who is responsible for clearing the parks and each of these managers has a different approach to managing the process.

The Parks staff (*orange overalls*) are collected by truck from their homes, taken to the depot to collect their tools and then dropped off in teams of 6 at their various sites of work. As they are picked up very early in the morning, the first thing they do when they arrive on site is to have their breakfast break and then begin work. In each team there are specialised workers i.e. lawn mower operators, weed eater operators, leaf blower operators and... litter collectors! By the time the driver has dropped the last team, it is time for him to collect the first team because of the big distances involved.

The Amenities staff (*red overalls*) travels to work at the depot by public transport. They collect their tools, have breakfast and are then taken by truck to their respective work sites. They too, are comprised of specialists but they do not have any litter collectors. By the time they arrive on site, it is time for them to have their tea break and then they start work.

For both teams, the work has to take place in a particular order. The Weed eater operators trim the edges then the lawn mower operators mow the grass, the leaf blower operators blow the grass and leaves together into neat piles and then they stop.

Once the red team has completed the job, the litter collectors from the orange team can collect the grass, leaves and litter. The rest of the orange team just waits.

Mr. Mthembu, satisfied that he had given as full and helpful an answer as possible, asked Leonora if she had any questions. With super human patience, Leonora replied that she still didn't understand why the men were sleeping when they could have been moving the log.

Patiently Mr. Mthembu explained that it was obvious. The Amenities team (red) obviously got to the site first and began their work while the orange team waited. The red team does not pick up litter so the orange team Litter collector would pick up the litter once the red team had completed their portion of the work. The problem with the log is that it could not be considered litter so that it was nobody's job to remove it. Mr. Mthembu suggested that Leonora contacted the Forestry Directorate to see if they could come and remove the log.

LEONORA'S RESPONSE CANNOT BE PRINTED IN ORDER TO AVOID GIVING OFFENCE."

Questions
Who are the customers of this department?
What do the customers want from the department?
What is preventing them from delivering this service?
Whose fault it is that the log never got moved?

3. BUILDING OUR COUNTRY – A true story

JANUARY
It is a warm Friday evening in January at the Dog and Duck, a pub in a Municipality somewhere in South Africa. Work Colleagues James Cilliers and Conrad Tshange are sharing a quiet drink in a dark corner trying to unwind from the week's stresses. Conrad is an architect and James is a quantity surveyor with a large property development company.

Conrad stretches lazily and asks James how his week was.
– Oh man, it was so frustrating!, James replies.
– Oh yeah, old man Schmidt giving you a hard time again?, Conrad teases. – No, replied James.
– This had nothing to do with my work at all. You know I'm building my own house?
– Ja I know. I sent you to my friend for the plans. What's the problem?, asks Conrad.

James explains – I'm ready to build the wall around the place now so I went to the Municipality to get the plans approved. I mean, it's only a 1 m wall. How long could it take? Anyway, all they could do was take my application fee and tell me to come back in February to see if there is any progress! Now I don't know what to do because my dog keeps getting out and beating up the neighbour's dog.

– How come I n ever saw you at the Municipality? asked Conrad. – I was there today too. I went to put in the plans for the Sea Tides Shopping Mall. Man! Is that development really going to do something for this area! A R100 million investment from overseas and 1000's of jobs. I am so excited about it. We must move it though. The investors want it up and running in a year or they walk!

James laughed. – Well, I think you are gonna get more action than me china! They gonna leap at the opportunity. Economic development is the big thing in their IDP.

FEBRUARY
The Dog and Duck on the last day of the month. It is buzzing with activity. Two rather mournful-looking men meet at the bar.
– Howzit James!, says Conrad. – Ay, don't ask man!, replies James. – I was back at the Municipality today and they told me that the plans for my wall encroach 50 mm over the boundary. They say I must get the plans re-drawn. You know, I have spent every last cent on this house. Your buddy is cheap but he's not free. If I get new plans I won't be able to build the wall any way!

Conrad took a slow sip of his beer. – Those guys really need to get themselves jacked up. I was there yesterday to check on the application for Sea Tides and they told me that I am 3 signatures short for the motivation so they can't process it any further! I've gotta go back with the extra signatures next week.

AUGUST
In the car park outside the Dog and Duck, Conrad and James bump into each other on their way into the pub. The wind is howling around them as they hurry into the shelter of the building. James is looking stressed out and Conrad asks him why.
– This whole wall thing has got way out of hand now, he replied. – We kept having hassles with the dogs so I just took the chance and built the wall without plans. I figured that the Municipality is in so much chaos that they would never pick it up anyway – you know what I mean? How was I to know that the guy next door had contacts? Anyway, he was so mad with me about the dog stuff that he reported my wall to the inspectors and now I am charged with illegal building and I have to appear in court. The really lousy part of it is that they say I must demolish the wall!

– Shew!, said Conrad, that's really heavy man. I can't believe they got onto it so quickly. I wish they would rather have handled my application with as much energy! – Oh ja, said James, – How is that going?

–You won't believe me when I tell you! I went back with those signatures the next week and then they told me I must come back in a month to check the progress. I went back in March and they told me that there were some legal problems and the plans had to go to the Chief Plans Officer and that I must come back in another month to check the progress. I went back in April and they told me the plans had to go to Province and to come back in another month. When I went back in May, it still hadn't made the agenda for the politicians to look at it and it didn't make it on to the agenda until July. Then they told me that the politicians wanted a public participation process about it. Well, when I took that back to the investors, they just took their money away and cancelled the project. They are building the mall in Mauritius now. I believe they will be on site next month. What a waste man!

– Ay I so sorry man, said James as he bought Conrad a double Whisky. – I'm sorry for you but I'm also sorry for this country. How can we build South Africa like this?

BOTH MEN STARED INTO THE DEEP BROWN FLUID AND SIGHED.

Questions

Who are the customers of this department?

What is preventing them from delivering this service?

Whose fault it is that the log never got moved?

Notes:

Province: Municipality(Code) - Schedule of Service Delivery Standards Table XX

Description Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	
Premise based removal (Business Frequency)	
Bulk Removal (Frequency)	
Removal Bags provided(Yes/No)	
Garden refuse removal Included (Yes/No)	
Street Cleaning Frequency in CBD	
Street Cleaning Frequency in areas excluding CBD	
How soon are public areas cleaned after events (24hours/48hours/longer)	
Clearing of illegal dumping (24hours/48hours/longer)	
Recycling or environmentally friendly practices(Yes/No)	
Licenced landfill site(Yes/No)	
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	
Is free water available to all? (All/only to the indigent consumers)	
Frequency of meter reading? (per month, per year)	
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	
Up to 5 service connection affected (number of hours)	
Up to 20 service connection affected (number of hours)	
Feeder pipe larger than 800mm (number of hours)	
What is the average minimum water flow in your municipality?	
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	
How long does it take to replace faulty water meters? (days)	
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	
Electricity Service	
What is your electricity availability percentage on average per month?	
Do your municipality have a ripple control in place that is operational? (Yes/No)	
How much do you estimate is the cost saving in utilizing the ripple control system?	
What is the frequency of meters being read? (per month, per year)	
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	
Are accounts normally calculated on actual readings? (Yes/no)	
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	
How long does it take to replace faulty meters? (days)	
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	
How effective is the action plan in curbing line losses? (Good/Bad)	
How soon does the municipality provide a quotation to a customer upon a written request? (days)	
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	
Sewerage Service	
Are your purification system effective enough to put water back in to the system after purification?	
To what extend do you subsidize your indigent consumers?	
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	
Sewer blocked pipes: Large pipes? (Hours)	
Sewer blocked pipes: Small pipes? (Hours)	
Spillage clean-up? (hours)	
Replacement of manhole covers? (Hours)	
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	
Time taken to repair a single pothole on a minor road? (Hours)	
Time taken to repair a road following an open trench service crossing? (Hours)	
Time taken to repair walkways? (Hours)	
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	
Do you have any special rating properties? (Yes/No)	

Province: Municipality(Code) - Schedule of Service Delivery Standards Table XX

Description Standard	Service Level
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	
Are the financial statement outsources? (Yes/No)	
Are there Council adopted business process tsructuing the flow and managemet of documentation feeding to Trial Balalnce?	
How long does it take for an Tax/Invoice to be paid from the date it has been received?	
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request? (working days)	
Time to respond to a written customer enquiry or request? (working days)	
Time to resolve a customer enquiry or request? (working days)	
What percentage of calls are not answered? (5%,10% or more)	
How long does it take to respond to voice mails? (hours)	
Does the municipality have control over locked enquiries? (Yes/No)	
Is there a reduction in the number of complaints or not? (Yes/No)	
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	
How long does it take to renew a vehicle license? (minutes)	
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	
How long does it take to de-register a vehicle? (minutes)	
How long does it take to renew a drivers license? (minutes)	
What is the average reaction time of the fire service to an incident? (minutes)	
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	
Economic development	
How many economic development projects does the municipality drive?	
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	
What percentage of the projects have created sustainable job security?	
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	
Does the municipality have training or information sessions to inform the community? (Yes/No)	
Are customers treated in a professional and humanly manner? (Yes/No)	